ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

8/16	Oakland, CA
8/17	San Diego, CA
8/30	St. Louis, MO
9/7	Columbus, OH
9/8	Detroit, MI
9/20	Des Moines, IA
9/21	Chicago, IL
10/4	Baltimore, MD
10/6	Portland, ME
10/12	Phoenix, AZ
10/13	Denver, CO

Increasing Sales: Effective Front-of-the-House Management

8/23	Greenville, SC
9/20	St. Louis, MO
10/25	Chicago, IL

Kitchen Management

8/29	Chicago, IL
8/30	Cleveland, OH
9/6	Baltimore, MD
9/19	Atlantic City, NJ
9/27	New York, NY
9/27	San Francisco, CA
9/28	Nassau/Suffolk, NY
9/28	Anaheim, CA
10/3	Newport, RI
10/12	Knoxville, TN
10/17	Williamsburg, VA

Tools for Training

8/31	Riverside, CA
9/13	Grand Rapids, MI
9/15	Nassau/Suffolk, NY
8/31	Philadelphia, PA
9/14	Minneapolis, MN
10/3	Washington, DC
10/5	Cincinnati, OH
10/18	Atlanta, GA

Food Production Courses

Fish and Seafood

8/29	Denver, CO

Soups and Sauces

10/24	Tampa, FL

Foodservice Management Courses

Banquet Management

9/20	Atlantic City, NJ
9/22	Hartford, CT
10/18	Louisville, KY
10/20	Portland, OR

Do-It-Yourself Public Relations

8/10	Denver, CO
8/11	Arlington, TX
10/4	Milwaukee, WI
10/4	Minneapolis, MN

Food Cost Management

8/15	Detroit, MI
8/16	Houston, TX
10/17	Burlingame, CA
10/18	Anaheim, CA

Hiring in a Tight Labor Market

8/24	Boston, MA
8/25	Hartford, CT
9/14	Baltimore, MD
9/15	Washington, DC
9/19	Newark, NJ
9/20	Atlantic City, NJ
9/22	Worcester, MA

Menus that Sell!

9/21	Indianapolis, IN

Off-Premises Catering

9/7–8	Raleigh, NC
9/28–29	Beverly Hills, CA

Operational Analysis

9/22–23	Norfolk, VA
10/12–13	Columbus, OH

Planning and Implementing a Restaurant Marketing Strategy

9/19–20	Atlantic City, NJ
10/4–5	Ft. Worth, TX

Planning Successful Buffets

8/22	Lancaster, PA
9/19	Atlantic City, NJ
9/26	Toronto, Ontario
9/28	Halifax, Nova Scotia
10/3	Cleveland, OH

Profitability

9/11	Lincoln City, OR
9/13	Seattle, WA
10/19	Dearborn, MI
10/21	Milwaukee, WI

Restaurant Design

9/29–30	New Orleans, LA

1988 California Wine Workshop

9/24–30	Napa Valley, CA

For information, contact:
Educational Foundation of the
National Restaurant Association,
1200 Seventeenth St., N.W.
Washington, DC 20036-3097
(800) 424-5156 or (202) 331-5900

If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the above address.

EXECUTIVE STUDY GROUP SERIES

Financial Officers	
10/5–7	Monterey, CA
Foodservice Purchasing Managers	
9/21–23	Boston, MA
Internal Audit	
9/13–16	Monterey, CA
Labor Relations	
9/15–16	Columbus, OH
Large Independent Operators	
9/14–16	Frankenmuth, MI
Management Information Systems	
10/11–14	Hilton Head, SC
Marketing Executives	
10/16–19	New Orleans, LA
Multi-unit Architects, Engineers and Construction Officers (MAECO)	
10/26–28	Orlando, FL
Quality Assurance	
10/12–14	Orlando, FL
Safety Officers	
7/20–22	Vail, CO
Tax Executives	
10/5–7	Monterey, CA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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RESTAURANTS USA

VOL. 8 NO. 7 **AUGUST 1988**

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PRESIDENT'S REPORT

Jim L. Peterson, President and Chief Operating Officer
Whataburger, Inc., Corpus Christi, TX

Politics on the Menu, September 26-28

"Politics on the menu" is the theme of our association's fourth annual Public Affairs Conference, to be held in Washington September 26-28. The conference is the association's largest political event of the year, featuring two and one-half days of conversations between foodservice industry representatives and prominent government officials.

Speakers at this year's conference will include journalists, members of Congress and administration officials. Conference attendees can also meet one-on-one with their congressional representatives in their offices to discuss pending issues that affect our industry or at the "Chef d'Oeuvre" reception—while tasting foods from several fine Washington restaurants.

Because 1988 is an election year and because the status of many tax, labor and immigration laws is still in limbo, this year's Public Affairs Conference will be more pivotal than ever before. Your attendance will help our industry's voice be heard throughout Washington. I hope to see you there. For more information, contact the association's government affairs department at 1-800-424-5156.

85,000 messages oppose minimum wage increase

The association has been working hard to make known the industry's opposition to labor-sponsored legislation, especially minimum wage. Thanks in part to your grassroots activity, this bill has not yet come to a vote in either house. Since May, the government affairs staff has conveyed more than 85,000 messages from restaurateurs to members of Congress objecting to an increase in the minimum wage.

We are also following closely the progress of a new version of parental leave legislation, which is expected to come up for a vote before the end of this session. Although the new form of the bill is scaled down, it still violates the association's contention that employers, and not the government, should determine which employee benefits should be provided.

TJTC extension likely

On a more positive legislative note, a two-year extension of the Targeted Jobs Tax Credit (TJTC) has been included in the House Ways and Means Committee version of the 1988 tax "technical corrections" bill. An extension of TJTC is likely to be passed this year.

Liquor liability program created for members

I am also glad to announce that association members are now eligible for liquor liability insurance through BRICO (Beverage Retailers Insurance Company). BRICO, which was formed by our association and five other hospitality associations, is a risk-retention group designed to ease the insurance crisis created by inflated prices for liquor liability coverage. For more information and an application, call 1-800-541-0392.

New alcohol awareness task force needs your input

By now, you all should have received a questionnaire asking for your input on alcohol awareness-related issues. Please return that questionnaire as soon as possible so that the new Alcohol Awareness Task Force can review your ideas before it establishes an agenda for future action.

AIDS videos explain disease, law

Our employees and customers continue to be concerned about AIDS, and education is the best deterrent to this frightening disease. Be sure that your managers and employees understand AIDS before they have to deal with a person with AIDS or rumors about the disease.

The association has produced a two-part set of videotapes on AIDS called *The Aids Issue*. The first tape can help your staff understand the laws surrounding the employment of persons with AIDS. It suggests ways your managers can deal with employees and patrons who may fear that an employee could pass on the AIDS virus. The second tape is directed at all employees. It tells the facts about AIDS, emphasizing that it is not a foodborne disease and that it is not passed through casual contact. You can obtain a set of these tapes by sending a check for $33.95 to the association's publications department.

It is my pleasure to welcome 265 new members who joined the association during June and July. You will find the association a great help to your business, and I encourage your active participation in our activities.

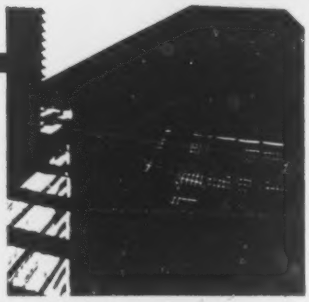
Sincerely,

Jim L Peterson

Jim L. Peterson
President and Chairman of the Board

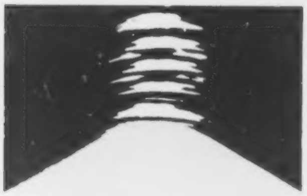
RESTAURANTS USA

COVER STORY:
THE SQUEEZE IS ON LOCATION



10 It's a tight real estate market, and operators are coming up with innovative—and money-saving—alternatives to the free-standing restaurant site. Sidebars focus on leasing restaurants in hotels and points to keep in mind when scouting for a location.

SPECIALS



15 Computing a sales price for used equipment
How much should you ask or pay for used restaurant equipment and furnishings? Use these methods to figure out the price.

17 Getting to yes
In today's competitive business world, negotiating skills are a must for getting to workable solutions.

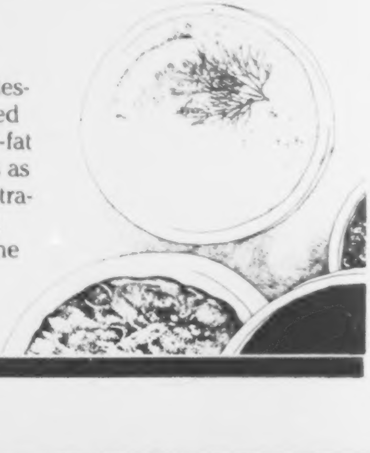
20 Keeping an edge on energy costs
Restaurants can shave money off their energy bills. The Energy Edge research program is saving participating operators in the Northwest thousands of dollars.

24 Mealtime manners
Be prepared for executives who are learning about the power of the oyster fork and other fine points of fine dining. Test your own etiquette skills in the accompanying quizzes.

26 10 kitchen design mistakes to avoid
Designing a restaurant kitchen takes foresight, flexibility and ingenuity—and a good deal of common sense. This article discusses ideas to incorporate in your kitchen's design—and common pitfalls to avoid.

29 Computer conference report
At the National Conference on Computers in Foodservice, restaurateurs learned how computers can help them run their businesses more efficiently. Conference closeups include information on how to prepare to computerize, what to ask during a sales presentation and how to hire a consultant.

32 Slim sauces
Growing concern about fats and cholesterol has encouraged chefs to create low-fat (and no-fat) sauces as alternatives to rich traditional sauces and rouxs. Don't miss the recipes.



Cover photo by Gary Landsman

DEPARTMENTS

6 Short Orders
- ☐ We still scream for ice cream
- ☐ American Express publishes regional dining guides
- ☐ Aussies get taste of Chicago-style pizza
- ☐ Szathmary goes to Johnson & Wales

7 Washington Report
- ☐ DC Roundup
- ☐ Complicated benefits law imminent
- ☐ Too much trash and no place to go
- ☐ Association fights for alternate sanitation programs

9 Boardroom
- ☐ Jim Peterson brings national agenda to state meetings
- ☐ Boyd Morris honored

35 Fisher's Law
- ☐ Insights and inanities

36 Foodservice Trends
- ☐ A review of industry health insurance plans
- ☐ A fine future for food bars
- ☐ Food contractors are wooing—and winning—the institutional market
- ☐ Restaurant beverage consumption update

45 How's Business
- ☐ Operators discuss regional business trends

47 Food for Thought
- ☐ Power ties for a power restaurant
- ☐ Domino's delivers a new chain
- ☐ Budging the cold war
- ☐ Melts only in the mouth?
- ☐ Unstable beer prices mimic Dow Jones

SHORTORDERS

American Express publishes regional dining guides

To celebrate the 30th anniversary of the American Express Card, American Express is offering card members a signature series of 18 regional dining guides across the country beginning this month. "The Collection" will be distributed nationally through direct mail to selected card members in all 18 regions. In addition, card members traveling to any of the regions may obtain complimentary copies by calling a toll-free number. "The Collection" will be supported by a national print campaign, scheduled to break in September.

Each guide will feature local restaurants arranged by cuisine type. In addition, each guide will include a variety of value-added offers designed to bring incremental business to participating restaurants. Inclusion in "The Collection" is available to any restaurant that honors the American Express Card and generates at least $1 million worth of business annually on the card.

The American Express Collection
NEWPORT'S
THE AMERICAN EXPRESS COLLECTION

Two other marketing programs for restaurants are being launched by American Express. These are "Invitation to Fine Dining," a series of certificates featuring special offers from restaurants throughout the United States; and the "American Express Direct Action Program," a direct mail program consisting of value-added offers mailed to card members on specially designed postcards for use at restaurants throughout the country.

Aussies taste Chicago-style pizza

The American infatuation with the land down under is boomeranging across the Pacific. At least that's what the Australian franchisee of Pizzeria Uno hopes.

Now that a Pizzeria Uno is open in Sydney's "Darling Harbor Festival Marketplace," Aussies can sample the gourmet, Chicago-style, deep-dish pizza. The cafe-style restaurant features terrace seating and sweeping floor-to-ceiling glass panels overlooking the harbor and the marketplace shops. Patrons can either dine in the fullservice restaurant or buy their pizza at the "slice shop," which caters to on-the-go shoppers.

Szathmary goes to Johnson & Wales

"Put your diploma in a safety-deposit box and start to work, realizing that you don't know anything," Louis Szathmary, owner and executive chef of Chicago's The Bakery restaurant, told culinary arts students at Johnson & Wales College. As the 53rd Distinguished Visiting Chef,

Szathmary gave a culinary demonstration of dishes from his menu, including *Hungarian Sausage Served in Round Bread* and *Crayfish in Paprika and Caraway Sauce.*

We still scream for ice cream

From the banana split at the corner drugstore to sherbet cones in an antique flower-holder at New York's Le Cirque, ice cream dishes are always a favorite American dessert. A new brochure, available from the International Ice Cream Association, suggests how to create ice cream dessert menus, shows unique ways ice cream is served in restaurants nationwide and gives recipes and storage tips.

ICE CREAM
INNOVATE! CREATE! CASH IN!
THE NEWEST TREND: ICE CREAM DESSERT MENUS

Entitled "The Newest Trend: Ice Cream Dessert Menus," the booklet is for caterers, restaurateurs and professional chefs. It is available free of charge from the International Ice Cream Association, c/o KCS&A Public Relations, 820 Second Avenue, New York, New York 10017.

Too much trash and no place to go

In their quest to reduce the volume of solid waste, state, county and city legislators are taking aim at everything in sight—plastic eating utensils, foam packaging for takeout food and drinks, even paper straw wrappers.

At sea for more than six months, the ship was turned away at each port as it struggled to find a place to dock. This was no passenger boat of immigrants looking for golden opportunities in America, but a load of garbage in need of a final dumping ground.

The infamous New York garbage barge is a vivid symbol of a problem many U.S. restaurateurs are beginning to face. Near-capacity landfills and skyrocketing waste-disposal costs are raising the costs of trash hauling and dumping for restaurateurs. And state, county and city legislators are taking aim at everything in sight—plastic eating utensils, foam packaging for takeout food and drinks, even paper straw wrappers—in their quest to cut the volume of solid waste.

Landfills are filling up

Americans generated 133 million tons of garbage in 1986. More than 80 percent of this was buried in landfills. Many of these landfills, especially in the Northeast, are reaching their capacity. Others are shutting down because they do not meet standards established to prevent contamination of underground water supplies.

What this means is that garbage often has to travel farther to be dumped or that landfills are charging haulers higher "tipping" (dumping) fees. Especially in areas like New York, restaurateurs are seeing the effect on their bottom line. In Oyster Bay Township on New York's Long Island, for example, the "tipping" fee has shot up from $14 per ton in 1980 to $80 in 1988. Bob Fletcher, owner of Dining Car 1890 in Stonybrook, New York, complains that "[the fee I pay the hauling company] went up almost 100 percent in one shot." Six months ago his bill rose from $456 per month to $870 per month. "What do I do to my menu to compensate?" he wonders.

Packaging targeted

Of the 200-plus state bills introduced this year to curb solid waste volume, many propose taxes or bans on certain kinds of packaging. And although foodservice packaging counts for only a tiny portion of total solid waste, it's a visible target for legislators trying to reduce the amount of garbage.

"Packaging is being singled out because it's an easy target," explains Dr. Susan Selke, assistant professor at Michigan State University's School of Packaging. People don't con-

DC ROUNDUP

☐ **Minimum wage debate drags on.** The saga of the 1988 fight to raise the minimum wage continued last month, as members of the U.S. House, not sure they had enough votes to pass their own minimum wage bill, tried to prod the Senate into voting first. But senators took no action, reluctant to move on the sensitive issue without any assurance from their House colleagues that the House had the votes to pass the bill. So progress on the issue is at a standstill.

☐ **House and Senate pass plant closing bill.** Both chambers of Congress okayed legislation last month to require businesses with more than 100 workers to give 60 days' notice of closings or layoffs affecting more than 50 employees. The measure then went to President Reagan. If he vetoes it, as his senior advisors urge, Democrats in both chambers say they have enough votes for an override. Although the Senate was unable to muster override votes before, Republicans now seem more willing to let the bill become law to prevent Democrats from exploiting the issue during campaigns.

☐ **Restaurants must implement hazard communication programs.** The Occupational Safety & Health Administration (OSHA) began enforcing its Hazard Communication Standard (HCS) in all businesses on August 1. Rumors of a temporary "stay" of HCS's enforcement date for all employers proved unfounded: Last month, an appeals court clarified an earlier ruling to say that the stay affects only employers in the construction industry, who are now contesting the standard's legality. HCS requires any employer whose workers are exposed to "hazardous chemicals" (OSHA defines these very loosely) to set up a program to keep track of workplace products containing these chemicals and to teach employees how to handle them safely.

☐ **Senate labor panel joins House committee in passing leave bill.** The Senate Labor & Human Resources Committee signed off July 14 on a bill that requires employers to give workers 10 weeks of unpaid parental leave every two years and 13 weeks of unpaid medical leave yearly. The House Education & Labor Committee approved a similar bill last November. Mandatory leave proponents in the House and Senate want floor votes on the issue before Congress adjourns in October.

☐ **Business meal issue crops up in welfare reform bill.** The National Restaurant Association is asking members of the House-Senate conference committee to drop a Senate proposal to phase out the business meals and entertainment tax deduction for individuals with adjusted gross incomes exceeding $360,000.

No hearings were held on this so-called "Bradley amendment (named for Sen. Bill Bradley (D-NJ), its sponsor) before it was hastily passed by the Senate. The association argues that the measure unfairly attacks the business meal deduction and sets poor tax policy.

sider packaging "a necessary good," she says.

Beginning next July, Suffolk County, New York—home to the infamous garbage barge—will become the first county to ban the use of certain plastics in retail establishments. Fast food restaurants will have to serve food in paper products rather than package them in plastic foam, and supermarkets will no longer be able to bag groceries in plastic.

Shelby Yastrow, senior vice president and general counsel at McDonald's, said McDonald's will consider several options for its Suffolk County franchisees. "We are looking into packaging that will retain heat and will not involve enormous increases in labor costs." According to Yastrow, McDonald's is carefully examining the environmental effects of polystyrene foam before changing its packaging nationwide. "If we get hard data that polystyrene hurts the environment, McDonald's will change," he says.

As finally passed, the Suffolk County ban was significantly scaled back from its original proposal, which had called for banning "clam shells," and requiring restaurants to separate biodegradable products from nonrecyclable plastics.

Legislators in other municipalities have proposed taxes on packaging as a way to discourage its use. In Minnesota, for example, a bill was introduced that would have levied a one-cent fee on a wide range of packages and containers. A fast food restaurant customer who ordered a hamburger, french fries and a soda would have paid an additional 5 cents just for the hamburger wrapper, french fries container, soda cup, straw wrapper and bag. Minnesota fast food franchisees breathed a heavy sigh of relief as this bill died in committee.

These drastic "solutions" to the problem won't disappear. The problem reaches across the states as legislators propose surcharges on styrofoam takeout products, bans of all nonbiodegradable packages that contain a consumer product and surcharges on all food and drink purchased for off-premises consumption.

Integrated waste management systems

Roger Bernstein, director of state government affairs at the Society for the Plastics Industry, sees many problems with these piecemeal solutions. "The problem with bans is that they are merely symbolic. They don't address the legitimate goals of reducing solid waste. If you ban one product, you have to replace it with another. What have you done to reduce solid waste?"

Bernstein also notes that packaging taxes "generate money right out of the consumer's pocket . . . The packaging taxes we've seen would require bureaucracies the size of the Pentagon."

So what's the solution? Ed Klein, director of the Environmental Protection Agency's (EPA's) municipal solid waste task force, says his panel will release a study this month recommending that municipalities adopt integrated waste management systems.

These systems would have four components: source reduction (getting unnecessary products off the market), recycling, converting waste to energy through incineration, and landfills. Klein hopes "each locality will take a look at the four components and determine what works best for it."

Recycling options

Restaurateurs are likely to be affected by whatever solution their municipality chooses. Recycling is apt to play a big role: a study conducted for the EPA says the United States can recycle about 25 percent of its municipal wastes. Currently, only 10 percent of this waste is being recycled.

This discrepancy may lead to a resurgence of "bottle bills," which would require bottles to be returned for recycling. Consumers in states such as Maine and Oregon, which passed bottle bills in the 1970s, have seen prices for a six-pack of beer increase.

McDonald's Corporation is investigating other recycling options. Although restaurateurs face special problems recycling food

Association fights for alternate sanitation programs

The National Restaurant Association is protesting Food and Drug Administration (FDA) actions that promote a single standardized employee-testing program over sanitation training programs. National Restaurant Association Executive Vice President William P. Fisher and officials of the association's educational foundation met with representatives of the Secretary of Health and Human Services to question the propriety of the internal FDA program guidelines, which were issued last fall.

Fisher protested the implication in the guidelines that testing was superior to training and noted that the guidelines constituted FDA endorsement of a single commercial entity to the exclusion of current or potential alternative programs. One leading alternative is "Applied Foodservice Sanitation (AFS)," published by the Educational Foundation of the National Restaurant Association. AFS was developed specifically to meet 1979 FDA criteria for training programs and has certified more than 160,000 persons in food safety concepts since its inception. Fisher has asked FDA to endorse the program.

FDA officials have admitted that FDA is advocating a single test, developed by the Educational Testing Services (ETS). Acting Director Richard Ronk said that testing foodservice managers in key concepts of food protection was " . . . even more important than the quality of the training materials used and the effectiveness of the instructor . . . " and stated FDA officials had decided that earlier criteria for training programs were " . . . arbitrary and unnecessary."

FDA apparently intends to continue promoting ETS, and seems reluctant to endorse other programs.

It is the association's belief that the foodservice industry needs a variety of reliable training and certification programs in food safety and sanitation. Concerned operators should work through the National Restaurant Association, its educational foundation and state associations to oppose FDA's endorsement of the ETS program and to call for support and endorsement of alternative programs.

—Robert E. Harrington

containers—because the waste has been contaminated by food—McDonald's is working with Amoco Foam Products to find practical uses for post-consumer polystyrene foam. The garbage is picked up from a McDonald's restaurant and taken to a sorting facility where the sorting process begins. McDonald's uses a new technology, not unlike the procedure used for sorting glass bottles, to remove the foam products. Foam insulation board, used in homes and buildings, is one of the by-products.

Dwindling landfill space, environmental concerns and rising disposal costs are forcing Ameri[illegible] make choices a[illegible] different ways o[illegible] its waste. "Custo[illegible]ing" the waste ma[illegible] system will allow each community to direct its resources to the most beneficial methods.

As Dr. Selke explains, "We're all in this together, and we'll all have to bear the burden." As members of their communities, restaurateurs will have a role to play.

—Stephanie Gordon

Complicated benefits law imminent

Employers who offer health or accident insurance, group term life insurance or cafeteria-benefit plans may be caught off guard by new benefits-testing requirements due to go into effect for plan years beginning after December 31, 1988.

Passed as part of the Tax Reform Act of 1986, these requirements aim to equalize the value of benefits offered to top earners and lower-paid workers. Called "Section 89" requirements (for the section of the Internal Revenue Code that contains them), the new rules are similar to nondiscrimination rules already in effect for pension plans.

Under Section 89, employers must apply a series of complicated tests to their benefit plans to see if benefits are fairly distributed to employees. If tests show benefits to discriminate in favor of highly compensated workers, these employees would be taxed on the benefits considered to be discriminatory.

The law does not apply to workers who are under 21, have been employed for less than six months or who normally work less than 17.5 hours a week or less than six months each year.

The law will have a big effect on employers' recordkeeping and data collection and could require employers to run Section 89 eligibility and benefits tests up to 11 times a year. Penalties for non-compliance are strict.

So far, employers have gotten no help from the IRS in understanding the extremely complex requirements of Section 89. IRS promises to issue regulations shortly and says employers will be expected to begin complying after the end of this year. A "Section 89 Coalition" is now lobbying Congress to revise Section 89 or postpone its effective date.

For more information on how Section 89 will affect your operation, talk to your tax advisor and/or plan provider.

—Denise Roach

BOARDROOM

Jim Peterson brings national agenda to states

Just two months into his term at the association's helm, President Jim L. Peterson has already traveled to numerous state restaurant association meetings, sharing with industry colleagues his perspective and outlining the national association's agenda. He most recently attended conferences in Missouri, Pennsylvania and Louisiana.

Association president Jim Peterson has been delivering his message of "foodservice as a way of life."

Addressing the Louisiana Restaurant Association at its President's Awards Banquet, Peterson spoke on the broad theme of "foodservice as a way of life." He discussed the importance of the service ethic throughout the industry, saying, "Our commitment to service distinguishes us from all other industries. We must never lose sight of the service ethic, which is largely responsible for our industry's prosperity."

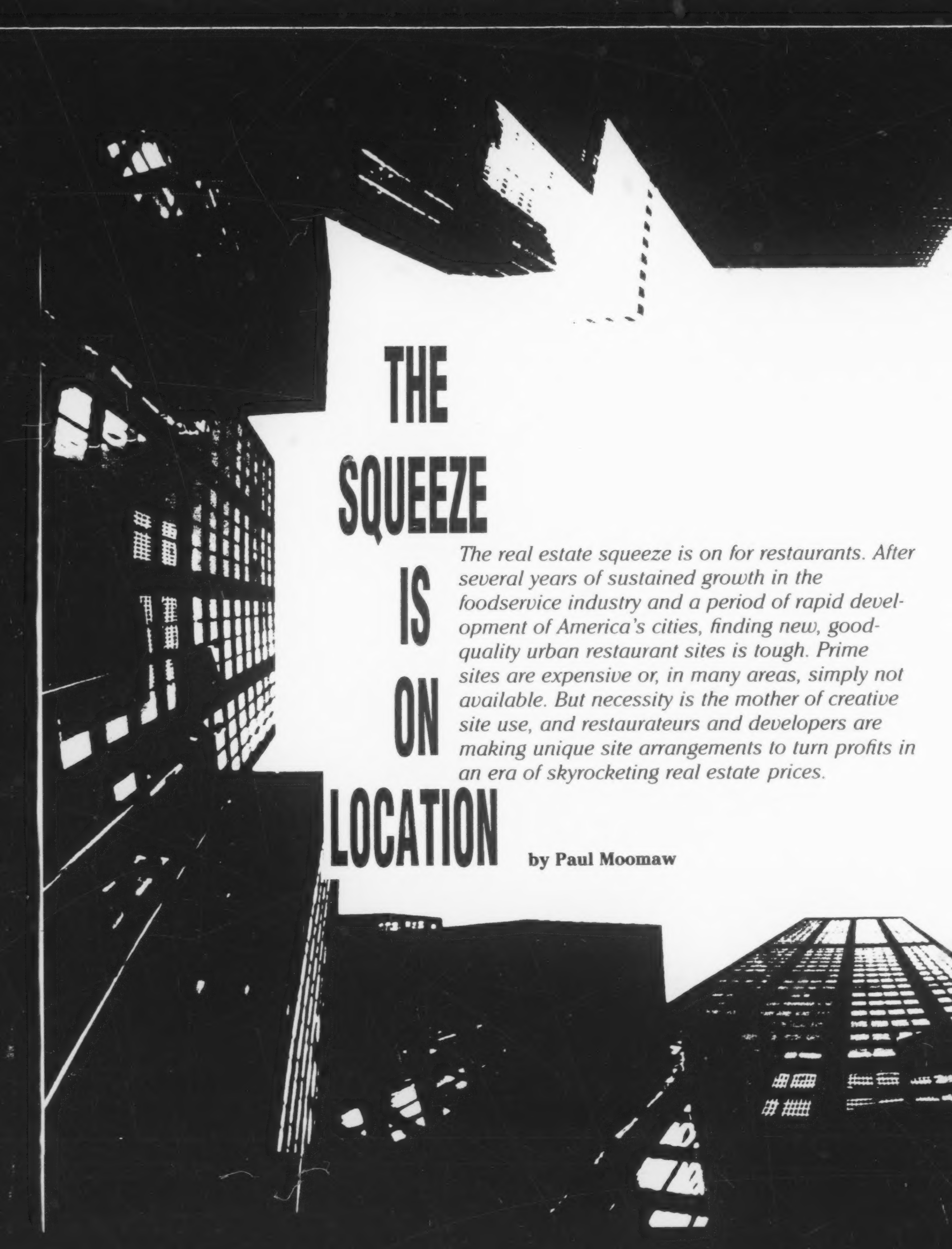
Peterson also addressed political issues, such as the association's continued fight to classify tips as wages and its support for the Earned Income Tax Credit to aid the working poor. "The E.I.T.C. is an automatic tax credit, added to weekly paychecks, which puts money directly in the pocket of those who need it most," Peterson said. "Furthermore, it helps the needy without crippling business."

Boyd Morris honored for 40 years of service

National Restaurant Association Honorary Director Boyd Morris, of K & W Cafeterias in Greensboro, North Carolina, was recently honored by the North Carolina Restaurant Association for 40 years of service to the hospitality industry. A founder and the first elected president of the North Carolina Association, Morris has since expanded his company from one unit, Greensboro's Mayfair Cafeteria to 21 cafeterias in North Carolina, South Carolina and Virginia.

Morris received the North Carolina Association's special President's award during their 40th annual meeting in Pinehurst this spring.

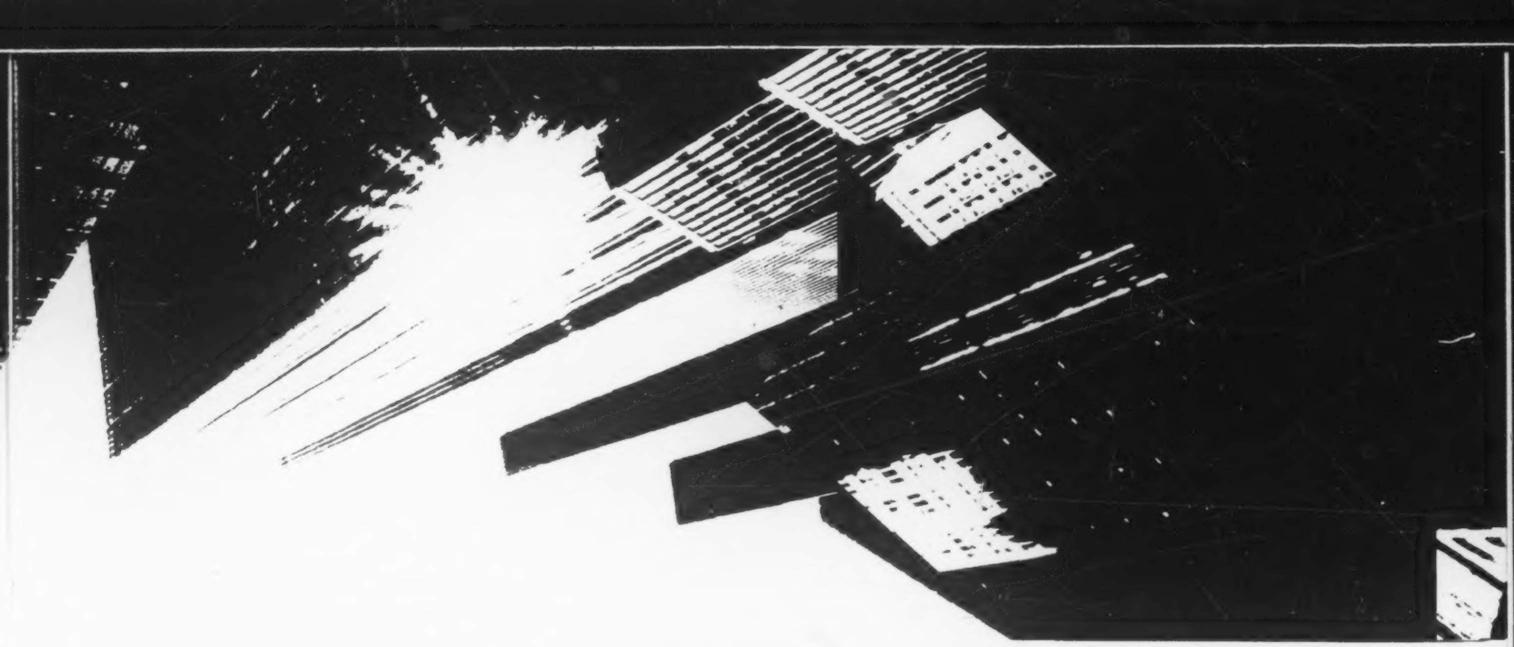
—Anne Papa



THE SQUEEZE IS ON LOCATION

The real estate squeeze is on for restaurants. After several years of sustained growth in the foodservice industry and a period of rapid development of America's cities, finding new, good-quality urban restaurant sites is tough. Prime sites are expensive or, in many areas, simply not available. But necessity is the mother of creative site use, and restaurateurs and developers are making unique site arrangements to turn profits in an era of skyrocketing real estate prices.

by Paul Moomaw



Industry analysts agree that the restaurant market is overbuilt in many parts of the country. In developed urban areas, most new entries are dividing up an already-established customer base rather than serving new market segments or meeting increased demand. In fact, Laventhol & Horwath's Robert Patterson thinks the brakes should be applied to development of new restaurant sites. "If I had one wish for the industry," says Patterson, "it would be a three-year moratorium on building new restaurants. I know that's impossible, but I wish everyone would get together and decide not to develop new sites—it would ultimately be good for the industry." Patterson believes that most new undeveloped sites are inferior when compared with more creative uses of existing developed real estate.

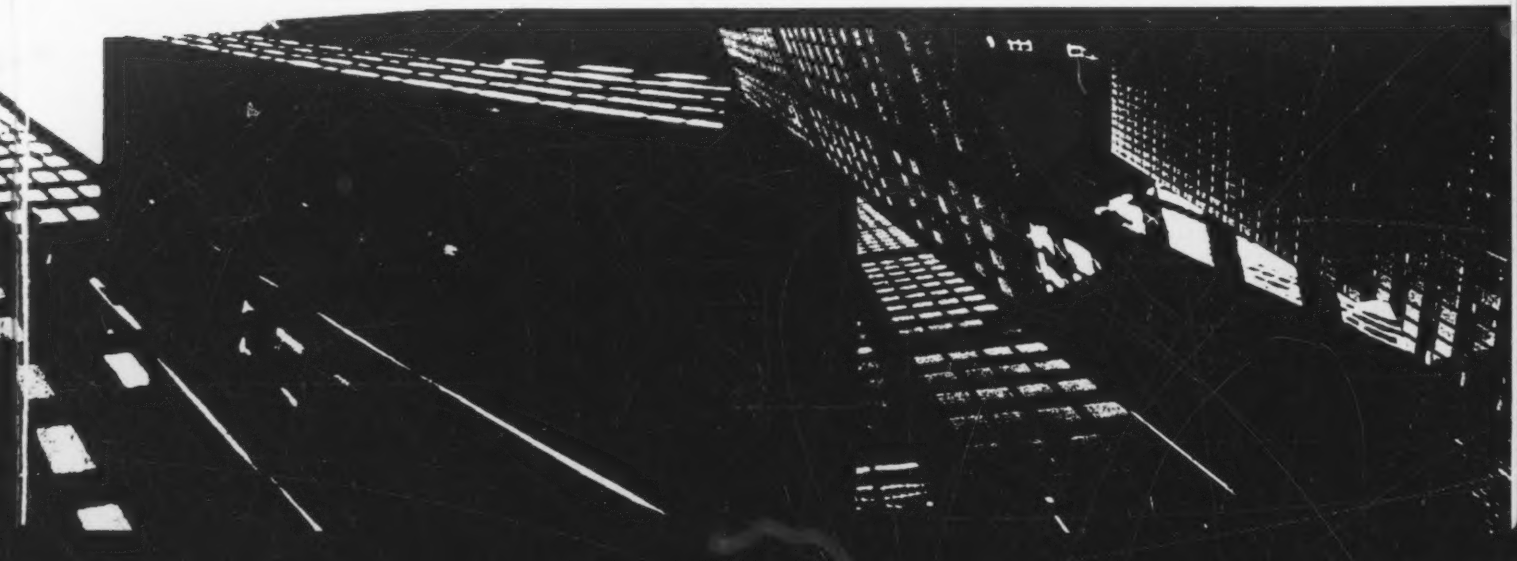
Paul Moomaw is a communications specialist for the National Restaurant Association.

Some tips from Japan

A futuristic scenario for the American restaurant industry is being played out in Japan where real estate prices are already sky high in many cities. Japan has more than half the population of the United States but occupies a land mass about the size of California. Consequently, Japan's well-developed foodservice industry has already encountered many of the problems that go with establishing sites in dense urban areas. A number of creative arrangements have resulted, many of them involving site-sharing or, as the Japanese say, "combined openings." In these combined-opening arrangements, restaurants team up with other industries to use an available piece of land.

Unlike most American site-sharing arrangements, Japanese ventures have not been limited to complementary operations. Restaurants in Japan have teamed up with car dealers, shoe stores, book stores, do-it-yourself stores and flower shops. Whether or not these businesses bring customers to one another is less important than simply solving the fundamental problem of getting a restaurant placed on a good-quality site. Because valuable land is often made available only in large parcels, it is often essential that a restaurant share space with another business.

One Japanese foodservice chain, Skylark Restaurants, has developed a unique leasing method that allows for rapid expansion with a minimum investment risk at the time of opening. All Skylark restaurants are company-owned, and the chain has grown to nearly 700 units since starting up in 1970. The "Skylark formula" works as follows: Skylark asks the landowner of a prospective site to build a restaurant that fits Skylark's specifications. After the restaurant building is completed, Skylark makes monthly rent payments for both the land and the building. This method has allowed Skylark to open new restaurants without making the huge up-front outlays



that the building of a restaurant usually requires.

Other innovations have popped up in Japan as well. Combining parking with the restaurant site has become increasingly popular. A restaurant's parking space is built on the ground floor and the dining room is built on the floor above. Although building costs are 30 percent higher for those dual-purpose structures, in a densely populated area this may be recoverable, and it certainly increases accessibility to the restaurant.

Site-sharing is not unknown in the United States, of course, but according to Robert Patterson, this arrangement will be an even more important tool for expansion in the future. According to Patterson, the best possible site-sharers are restaurants that complement each other and bring in extra traffic for both operations. For instance, a fast food restaurant paired with a dessert operation may succeed in drawing a larger crowd that will spend more money per meal. (See "Franchise Partnerships" in the March 1988 issue of ***Restaurants USA.***)

Even more progressive is the notion of complementary restaurants sharing a site, with each drawing customers at a different meal period. The goal is to have a minimum amount of "down time" per day on an expensive restaurant site. For instance, a breakfast operation can be paired with a dinnerhouse that serves only lunch and dinner. Because they need the site at different times of the day, these operations can share nearly all facilities, including seating space, parking lots and even the kitchen. The challenge is to orchestrate a smooth transition between meal periods and to maintain individual identities on the same site.

Also worth considering are questions of legal responsibility and management of common areas. In what proportion will the site-sharers pay for security? And what limits, if any, will the sharers impose on one another in terms of signage or lighting?

Hotels and restaurants: the original site sharers

Because all people must sleep and eat, hotels and restaurants have always had close relationships. They may be the original site-sharers. But for a number of reasons, many hotel operators have found the traditional hotel restaurant to be a drain rather than a profit center. The result may be a future of greater division of responsibility and identity that leaves hotel foodservice in the hands of restaurateurs.

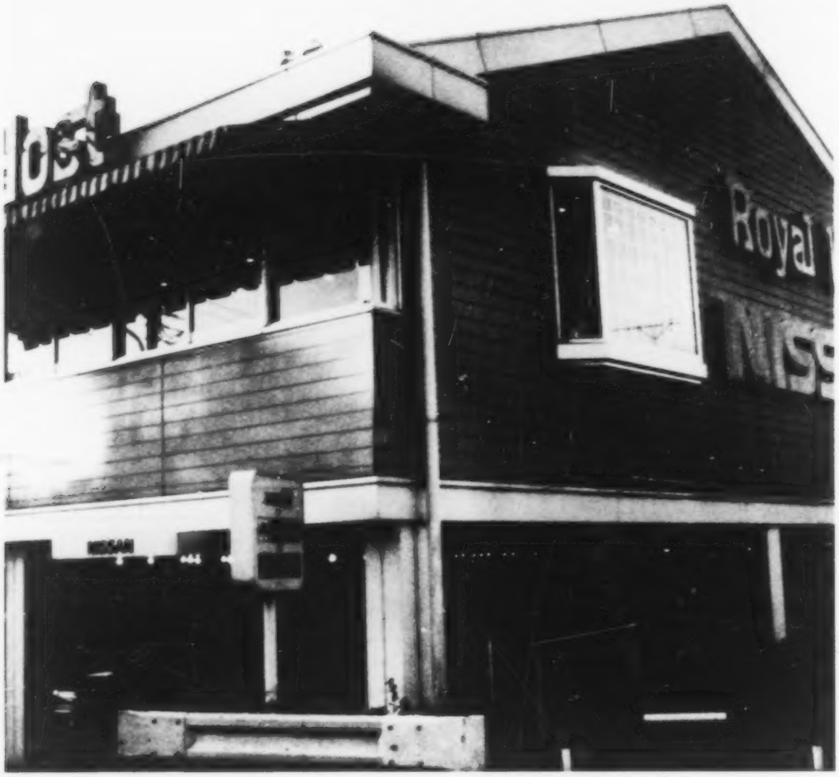
Rather than dealing with problems outside of their areas of expertise, some hotel operators, particularly at budget hotels, have begun to lease out their hotel restaurants to an independent or chain foodservice operation. Upscale properties, too, can benefit from this arrangement, such as the Mayfair Regent in Manhattan has done with Le Cirque and the Morgan expects to enjoy with the soon-to-open Pierpont. For restaurant operators, a hotel site offers a built-in customer base and possibly, depending on where the hotel is located, a prime site from which to draw a share of the community's foodservice dollar. In turn, hotel operators are left free to focus their operational energies toward attracting and servicing overnight guests.

As Laventhol & Horwath points out in its brief, "Trend of business in hotels," many factors affect whether or not a restaurant can be successful within or adjacent to a hotel. The restaurant concept and the hotel concept must be compatible, of course. A restaurant with a limited menu may not appeal to a broad enough audience to serve hotel guests; and the requirement of seven-day-per-week, three-meal-per-day service may be too cumbersome and not cost effective for some types of restaurants. Breakfast, a crucial part of a hotel restaurant's success, may present a problem for operators who have no previous experience in breakfast service.

A key challenge in hotel foodservice is being prepared for the rise and fall of demand in response to the hotel's occupancy level. A hotel restaurant must be consistently staffed to accommodate potential demand, and therein lies the challenge. When hotel occupancy is high, the restaurant may be overtaxed; and yet the restaurant may be underutilized when hotel occupancy is low.

According to Laventhol & Horwath, leasing arrangements between hotels and foodservice operations vary greatly, depending upon the market and type of restaurant. Fees may be structured on a fixed base rent, a percentage of gross sales or a combination of the two. Lease terms are normally for 10 years with two five-year renewal options, and may include buy-out rights. Utilities for the restaurant are metered separately and are usually the responsibility of the restaurant operator.

Dailey's restaurant and bar in downtown Atlanta was once the site of two warehouses, but a 28-foot-high atrium entrance joined the two structures into a restaurant with a "warehouse feeling."



Japanese foodservice companies refer to site-sharing ideas as "combined openings." One of the most unusual combinations is this structure which houses a car dealership on the ground level and a restaurant above.

Takeovers and makeovers

Outside of site-sharing, the other major response to rising real estate costs is, and will be, more creative conversions and makeovers of existing sites. This includes not only taking over existing restaurant sites, but also scouring urban areas for structures that can be turned into restaurants.

One company that has made the most of both site-sharing and creative makeovers is Kimco Hotel Management in San Francisco, the brainchild of Bill Kimpton. Kimpton has successfully developed four downtown area sites with hotels and adjoining restaurants in old buildings that have been redesigned and given their own unique identities to appeal to locals.

Kimpton was able to obtain properties rather cheaply by purchasing old hotels on the decline and refurbishing them. In 1983, Masa's restaurant was opened on the site of the Vintage Court Hotel, and Kimpton discovered a wonderful marriage of the concepts. The hotel-with-connected-restaurant formula has been applied to

Setting your sights on the right site

No matter how right the price, a future-restaurant space is no bargain if the location is wrong. Here are some points to consider when picking a site:

☐ **Accessibility.** How easy will it be for people to get to your restaurant? Will they come on foot or drive? Is there ample parking? Do a traffic survey, noting the traffic flow on streets around you and how easy it will be for cars to turn off onto your street.

☐ **The neighborhood.** What is the general look of the neighborhood? Are property values increasing or decreasing? Some neighborhoods are deteriorating and are considered dangerous or attract undesirables who congregate on the street, often discouraging customers.

☐ **Competition.** Other restaurants in your area can be an advantage or a disadvantage. If they have a different appeal from yours, they can act as a drawing card to pull people into the area, giving more visibility to your restaurant. But if they are the same type as yours, with the same specialties, in order to succeed you must do better. Study your competitors; learn from their experiences and be sure the area isn't already saturated with restaurants.

☐ **Potential customers.** What kinds of people live or work in the area? What is their income? Do they want fast service or leisurely dining? Ask a marketing research company to do a study for you or conduct your own survey, stopping people on the street or talking to other merchants in the area. If you're located in a business area, you will want to find out if you can attract dinner customers. Mel Krupin's, an upscale restaurant in downtown Washington, DC, has closed because, the owner said, everyone goes home at 5 o'clock. On the other hand, if you locate in or near a shopping mall in the suburbs, you may not be able to attract a breakfast crowd.

☐ **Nearby drawing card.** If you're beginning a brand-new operation, it is a good idea to be near something like a hotel or convention center that already draws people to the neighborhood. Restaurateur Sam DuVall has just opened Bubba's Bar-B-Q on San Francisco's Van Ness Avenue, across the street from a first-run, multiscreen movie theater and the Hard Rock Cafe. He's counting on both places to generate substantial foot traffic in the area.

☐ **Regulations.** Zoning laws, parking requirements, licenses and taxes on new facilities are just some of the things to consider when looking at a neighborhood. Do your research at City Hall and find out what the regulations are and which will apply to you.

☐ **Facilities.** Are all utilities available? If you are buying or leasing an existing building, is the electric system adequate? Is there gas, water, sewerage and garbage pickup, and how much will these services cost? If equipment is already there, will it fit your needs?

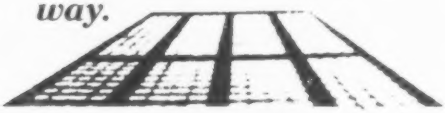
Finally, take your time before making the final choice. Talk to real estate agents, your future neighbors, your lawyers, your accountant, a banker, the local chamber of commerce, the Small Business Administration and restaurant consultants. Don't let your emotions overrule your good sense. The experts agree location is the most important factor in operating a successful business. It will pay in the long run to learn as much as you can before signing that bill of sale or lease.

—Julie Fintel

three other Kimpton properties in the Union Square area with similar success.

Whereas conversion of a structure that is not a restaurant may require a substantial initial investment in order to create a dining atmosphere and kitchen, taking over an existing restaurant at a desirable location may be an inexpensive way to cut costs. Although major design changes may be necessary to alter the concept and appearance of a restaurant during a makeover, the cost is usually cheaper than developing a site from the ground up. In many cases, the previous operation's kitchen can be used with only minor adjustments.

Find out where your customers are going and then get in their way.



There may be other advantages to a makeover as well, including assuming an existing lease arrangement in an area of rising real estate prices. When Rob Wilder recently opened the Austin Grill in Washington, DC, he purchased outright the business of the previous restaurant, which was a midscale Chinese operation. By purchasing the business, Wilder was able to assume a favorable long-term lease that had been negotiated several years earlier—before area rents went sky high—as well as some equipment and furnishings.

To find such a property, Wilder enlisted the help of a business broker who specializes in the purchase and sale of existing restaurants. Marilyn Wayne, of Wayne and Associates, was able to find the property for Wilder within about a month, following a general rule of site selection: Find out where potential customers are going and then get in their way.

The design challenge

Buildings of all kinds are potential makeovers, although some may represent a significant architectural challenge. A unique structure can give a restaurant built-in character that the construction of a new building can never match. Historic homes and mansions have been converted to restaurant use for some time. Among the most famous examples is the Mansion on Turtle Creek in Dallas, a 1920s mansion which was restored—at great expense—into a restaurant, bar and lounge.

But less lavish structures also have architectural possibilities. In midtown Manhattan, where no undiscovered cheap sites remain, owner Marian Patano has successfully turned a narrow brownstone into a seafood house called Mariana's. This 112-seat restaurant features a bar downstairs and dining upstairs, and it represented a significant design challenge to add a feeling of light and spaciousness. But the designers succeeded in giving the small space an "open" feel, by adding a modern, angular two-story glass front and through the creative use of mirrors and lights.

Traditional, historic buildings are not the only ones suitable for makeovers. In Moreland Hill, Ohio, a corner service station was converted into The Restaurant, an informal neighborhood eating place with seating for 150 patrons.

Other possibilities include warehouses. In Atlanta, two warehouses were joined together by a 28-foot-high atrium entrance and transformed into the restaurant now called Dailey's, owned by parent company The Peasant Restaurants. Inside, the structures were separated with steps that lead either down to a 100-seat lounge or up to the 200-seat main dining area. Dailey's still retains a warehouse look in some ways, with an exposed brick wall and some brick flooring in the midst of the restaurant's fine furnishings.

Cutting fixed costs

Occasionally, an established restaurateur's success may result in a unique opportunity to operate on a prime restaurant site. In midtown Manhattan, the Equitable Center, wanting to add fine restaurants to its development, approached restaurateur Tony May about operating an Italian restaurant on its premises. May and the Equitable Center subsequently teamed up to open Palio. The two parties have entered into a long-term leasing arrangement, giving the Tony May Group operating privileges in a prime location, while the Equitable Center retains ownership of the restaurant. A similar arrangement was set up between the Equitable Center and the restaurant Le Bernardin.

Other ways to cut fixed costs include streamlining an operation for carryout or delivery so that it requires little or no dining space. Often carryout operations can be run in small, odd-sized buildings or even basements in a busy downtown area. All that is needed is a kitchen and small service area in an area busy enough so customers can "trip over" the operation.

Finally, operators can decrease restaurant building costs by eliminating some of the risk at the time of startup. Prefabricated and modular buildings are a way of cutting back on construction costs and are particularly appropriate for a time of rapid expansion. Prefabricated buildings can be assembled in half the time of a normal startup and offer operators a uniform look for their buildings. Modular buildings, on the other hand, can significantly reduce the risk involved in a restaurant startup: If the restaurant is not successful, the building can be packed up and moved to another site.

Pat Roberson used a modular building for a Somerville Pizza Place location in suburban Memphis. "I couldn't lose. If the restaurant didn't do well, I could simply move the building to a new location," says Roberson. "If it did very well, I could build a larger, permanent structure if and when needed." Roberson enhanced the 1,440-square-foot building with walnut-paneled walls, rough-hewn ceiling beams, lattice-covered windows, hanging plants and lamps, to shed its modular look.

Expensive sites: a sign of the times

In the old days, the choices were simple. Restaurant operators decided where they wanted to be and then either bought or leased a site there. But the times have changed. As foodservice and the American real estate markets move toward the 1990s, creative use of restaurant sites is a crucial tool for success in the foodservice industry.

COMPUTING A SALES PRICE FOR USED RESTAURANT EQUIPMENT

When it comes time to sell or buy a restaurant, how valuable are the used assets? This article highlights procedures that a potential seller or buyer could use to estimate the value of used retaurant equipment, based on the author's personal experiences with the sale and purchase of restaurants, periodic interviews and literature searches, and conversations with owners and operators.

by John Stefanelli

There are several ways to estimate the value of a restaurant's furniture, fixtures and equipment (FFE). The appropriate method to use depends upon the purpose of the appraisal.

☐ **Fair market value.** The fair market value of used FFE is computed when it is assumed that the assets will be sold as part of an ongoing business. Since everything will remain in place and in use, a fair market valuation procedure tends to yield a higher sales price than would be the case if a buyer were forced to remove and relocate the assets.

John Stefanelli is a professor at the College of Hotel Administration, University of Nevada at Las Vegas, and author of ***The Sale and Purchase of Restaurants.***

The sales price for an ongoing foodservice business is generally equal to 40 percent to 70 percent of the operation's trailing 12 months' food and beverage sales volume. Potential sellers will tend to set their asking prices at the upper end of this percentage multiple range while potential buyers normally will begin at the lower end when computing their offering prices.

The specific method used to perform a fair market valuation was discussed in detail in the April 1986 issue of ***Restaurants USA*** (formerly called ***NRA News***).

☐ **Replacement cost.** Under this valuation procedure it is necessary to identify each asset and determine how much it would cost to reproduce it. This approach is most commonly taken when an owner wishes to insure his or her assets.

It is particularly essential to determine the model numbers of each item to determine accurate current purchase prices. If these identifying characteristics are unavailable, it may be necessary to take pictures of the articles so that equipment dealers will have something tangible to consider before quoting purchase prices for new products.

After computing the reproduction costs of all FFE, the sales tax or use tax on the product should be added to the reproduction costs.

Finally, it may be necessary to factor in any freight charges and/or installation charges required by the equipment dealers. Some dealers include these charges in the purchase prices, but many do not.

As an example of this valuation procedure, assume that you wanted to compute the replacement cost of a 10 ft.-by-30 ft. walk-in refrigerator that includes a 10 ft.-by-10 ft. freezer section. The reproduction cost for this type of asset would be approximately $28,000. The sales tax, at 6 percent, would be $1,680, and the freight and installation needed would be about $3,000. Your best estimate, then, of the replacement cost for this walk-in would be $32,680.

☐ **Depreciated cost.** The depreciated cost valuation procedure is an extension of the replacement cost method. After computing the replacement costs, it is necessary to adjust for depreciation.

There are three types of depreciation that must be considered: physical deterioration, functional obsolescence and external obsolescence.

Physical deterioration is influenced by the age, life expectancy and condition of the FFE.

Assets that are more than five years old generally have lost 50 percent or more of their replacement cost. Anything over 10 years old usually has exceeded its life expectancy and at best can be sold for scrap.

The effective condition of the items is most important. FFE can fall into one of five condition categories: superior, good, fair, poor and no value (scrap).

Functional obsolescence refers to the possibility that the equipment in question cannot perform as well as, or perform as many functions as, a more modern substitute. This is a critical factor for older mechanical items. Generally, a piece of mechanical equipment that suffers from any amount of functional obsolescence is not worth very much.

External obsolescence refers to the possibility that an asset may not be as fashionable or contemporary as similar new items available from FFE dealers. This is a critical factor for furniture and furnishings, but generally has little bearing on the value of fixtures and equipment.

As an example of this valuation procedure, assume that you are an insurance claims adjustor who needs to compute the depreciated cost of an electric, 2-bay, 3-quart portable deep fryer.

First you determine that the reproduction cost is about $1,240, including freight. The replacement cost is $1,240 plus sales tax. If the sales tax is 6 percent, the replacement cost for this asset is approximately $1,314.

Next you note that the item is five years old. This indicates that the deep fryer is worth no more than 50 percent of the replacement cost or about $657.

You then note that the item is in poor condition and that, in your opinion, its useful life expectancy is one year at best. Items in poor condition usually are worth no more than 5 to 10 percent of their replacement costs. In our example, then, the maximum value of this deep fryer is about $131 ($1,314 x .10).

The final step is to consider the effect that functional obsolescence and external obsolescence might have on our estimate of the most likely value for the deep fryer. As portable deep fryers go, a new item probably will not offer any significant improvement in performance. Nor will a new substitute be demonstrably more fashionable than the used item.

If you want to be generous in your appraisal, you would note that this particular deep fryer is worth about $131. A pessimistic valuation, though, would yield a most likely value of approximately $65 ($1,314 x .05).

☐ **Liquidation value.** A liquidation value is usually the unfortunate aspect of a failed business venture. The process begins when an unpaid lender or landlord petitions a court to order a liquidation of the assets. However, a restaurant owner who wants to close down and sell off the assets piecemeal also would expect to earn no more than the liquidation value for these items. In my experience, the liquidation value of FFE is the most difficult one to compute. It requires a certain amount of speculation, in that you must put yourself in the shoes of a prospective buyer who is shopping for a bargain.

As a general rule of thumb, FFE that are in reasonably good condition and are liquidated in an orderly fashion, can often yield about 25 percent of their reproduction costs. If, however, these items are sold in a hectic forced liquidation proceeding, they will normally yield no more than 10 percent of reproduction costs.

In a liquidation, the relevant costs are the reproduction costs, not the replacement costs since sales and use taxes, freight and installation are not considered. Buyers purchase the assets in an as-is, where-is condition from a private seller. In my experience, the state tax authorities have never collected sales or use taxes on these types of sales. And since removal is at the buyer's expense, freight and installation are not considered.

The factors that influence the estimate of value of assets that will be liquidated are: condition and portability of the items, and the location of the facility where the sale takes place.

As noted above, there are five condition categories: superior, good, fair, poor, and no value (scrap).

An asset is very portable if a person can pick it up and walk out with it. For instance, a stack chair would fall into this classification. An asset is not portable, or is considered a "heavy" asset, if it takes two or more persons to carry it out or if you need a hand truck, dolly, etc., to remove it from the premises. An example would be a Hobart 80-quart mixer.

An asset also is not portable if it requires considerable work to remove it from the premises and/or the buyer would need to modify it considerably in order to adapt it for use in another property. For instance, an Ansul fire protection system would be considered a "custom" item that would not be as salable as more portable products.

Portability is a very, very critical factor. Potential buyers will be reluctant to pay very much if they know that removal of the assets will be costly and/or very inconvenient.

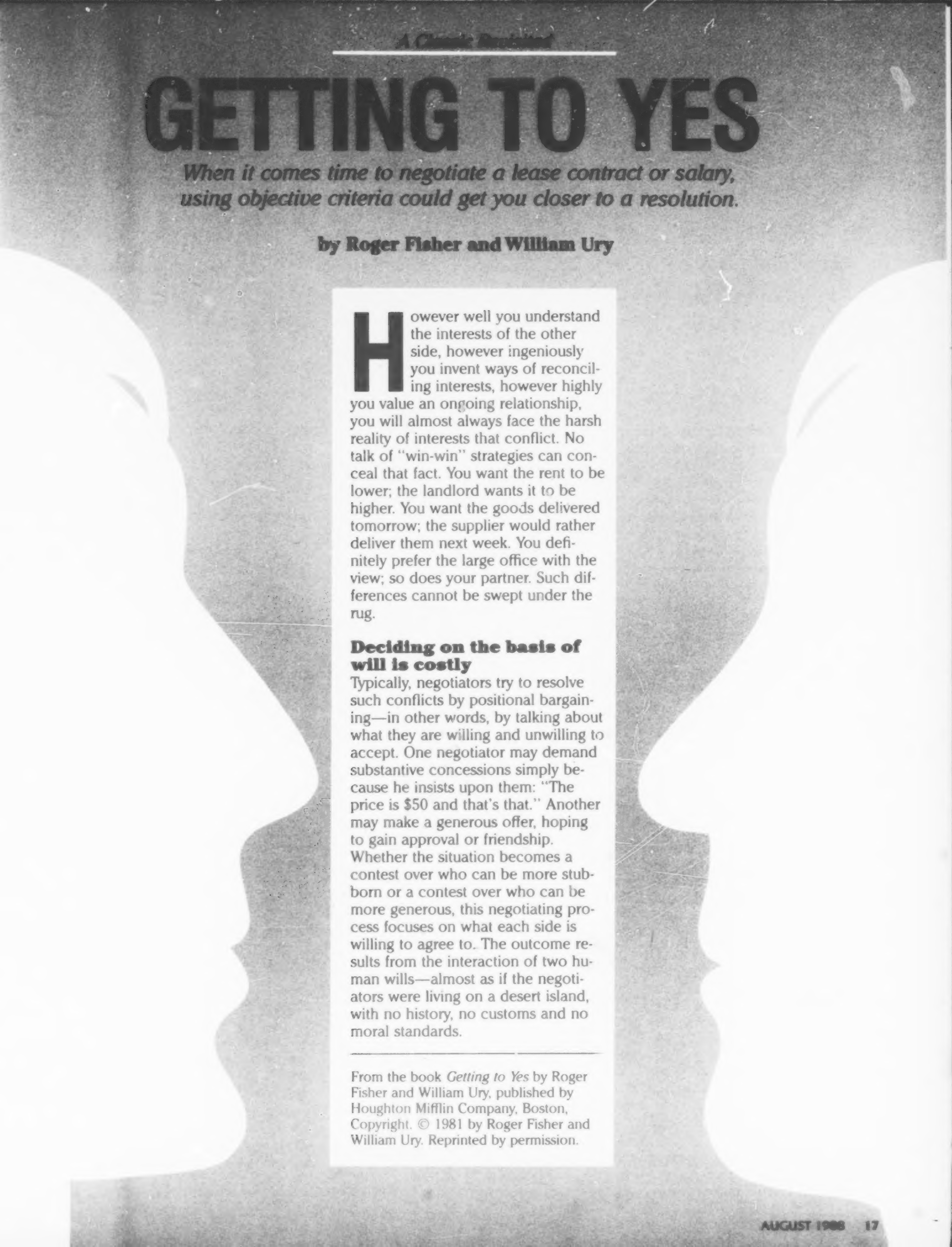
The location of the sale is equally important. If you are in a major metropolitan area, you can expect a relatively large pool of prospective buyers. If you are located in a small town or other similar rural areas, the pool diminishes very rapidly. Furthermore, it would appear that the only potential buyers who show up at a liquidation sale in a small town are used equipment dealers. These men and women typically will bid no more than 5 to 10 percent of reproduction costs, since their objective is to buy and resell the assets. Restaurant owners shopping for a bargain, though, might bid as much as 25 to 33 percent of the reproduction costs.

As an example of this valuation procedure, assume that you are the hopeful seller of the portable deep fryer noted above, and that you are holding the sale at your warehouse in the country.

The location of the sale indicates that used equipment dealers will outnumber other types of potential buyers. Since the asset is in poor condition, the most you could receive for it would be about $62 ($1,240 x .05). If you absolutely had to sell it, say because a bankruptcy judge ordered an auction of all items to the highest bidder, with no minimum bid, chances are you would receive much less than $62.

In sum

Valuation procedures are subject to considerable opinion, discussion and interpretation. The procedures outlined and discussed in this article represent my personal approach to the valuation of used FFE. ❑



A Classic Revisited

GETTING TO YES

When it comes time to negotiate a lease contract or salary, using objective criteria could get you closer to a resolution.

by Roger Fisher and William Ury

However well you understand the interests of the other side, however ingeniously you invent ways of reconciling interests, however highly you value an ongoing relationship, you will almost always face the harsh reality of interests that conflict. No talk of "win-win" strategies can conceal that fact. You want the rent to be lower; the landlord wants it to be higher. You want the goods delivered tomorrow; the supplier would rather deliver them next week. You definitely prefer the large office with the view; so does your partner. Such differences cannot be swept under the rug.

Deciding on the basis of will is costly

Typically, negotiators try to resolve such conflicts by positional bargaining—in other words, by talking about what they are willing and unwilling to accept. One negotiator may demand substantive concessions simply because he insists upon them: "The price is $50 and that's that." Another may make a generous offer, hoping to gain approval or friendship. Whether the situation becomes a contest over who can be more stubborn or a contest over who can be more generous, this negotiating process focuses on what each side is willing to agree to. The outcome results from the interaction of two human wills—almost as if the negotiators were living on a desert island, with no history, no customs and no moral standards.

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One standard of legitimacy does not preclude the existence of others.

Trying to reconcile differences on the basis of will has serious costs. No negotiation is likely to be efficient or amicable if you pit your will against theirs, and either you have to back down or they do. And whether you are choosing a place to eat, organizing a business or negotiating custody of a child, you are unlikely to reach a wise agreement as judged by any objective standard if you take no such standard into account.

If trying to settle differences of interest on the basis of will has such high costs, the solution is to negotiate on some basis independent of the will of either side—that is, on the basis of objective criteria.

Developing objective criteria

Carrying on a principled negotiation involves two questions: How do you develop objective criteria, and how do you use them in negotiating?

Fair standards. You will usually find more than one objective criterion available as a basis for agreement. Suppose, for example, your car is demolished and you file a claim with an insurance company. In your discussion with the adjuster, you might take into account such measures of the car's value as (1) the original cost of the car less depreciation, (2) what the car could have been sold for, (3) the standard "blue book" value for a car of that year and model, (4) what it would cost to replace that car with a comparable one, and (5) what a court might award as the value of the car.

In other cases, depending on the issue, you may wish to propose that an agreement be based upon:

☐ market value
☐ what a court would decide
☐ precedent
☐ moral standards
☐ scientific judgment
☐ equal treatment
☐ professional standards
☐ tradition
☐ efficiency
☐ reciprocity
☐ costs, etc.

At a minimum, objective criteria need to be independent of each side's will. Ideally, to assure a wise agreement, objective criteria should be not only independent of will but also both legitimate and practical.

Objective criteria should apply, at least in theory, to both sides. You can thus use the test of reciprocal application to tell you whether a proposed criterion is fair and independent of either party's will.

Fair procedures. To produce an outcome independent of will, you can use either fair standards for the substantive question or fair procedures for resolving the conflicting interests. Consider, for example, the age-old way to divide a piece of cake between two children: one cuts and the other chooses. Neither can complain about an unfair division.

A variation of the procedure of "one cuts, the other chooses" is for the parties to negotiate what they think is a fair arrangement before they go on to decide their respective roles in it. As you consider procedural solutions, look at other basic means of settling differences: taking turns, drawing lots, letting someone else decide and so on.

Negotiating with objective criteria

Having identified some objective criteria and procedures, how do you go about discussing them with the other side? Firmly but flexibly.

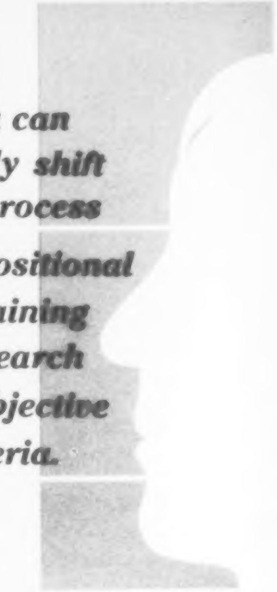
1. Frame each issue as a joint search for objective criteria. If you are negotiating to buy a house, you might start off by saying: "Look, you want a high price and I want a low one. Let's figure out what a *fair* price would be. What objective standards might be most relevant?" You and the other side may have conflicting interests, but the two of you now have a shared goal: to determine a fair price. You might begin by suggesting one or more criteria yourself—the cost of the house adjusted for depreciation and inflation, recent sale prices of similar houses in the neighborhood or an independent appraisal—and then invite the seller's suggestions.

Ask "What's your theory?" If the seller starts by giving you a position, such as, "The price is $55,000," ask for the theory behind that price: "How did you arrive at that figure?" Treat the problem as though the seller too is looking for a fair price based on objective criteria.

Agree first on principles. Before even considering possible terms, you may want to agree on the standard or standards to apply.

Each standard the other side proposes becomes a lever you can then use to persuade them. Your case will have more impact if it is presented in terms of their criteria, and they will find it difficult to resist applying their criteria to the problem. "You say Mr. Jones sold the house next door for $60,000. Your theory is that this house should be sold for what comparable houses in the neighborhood are going for, am I right? In that case, let's look at what the house on the corner of Ellsworth and Oxford and the one at Broadway and Dana were sold for." What makes conceding particularly difficult is having to accept someone else's proposal. But if they suggest the standard, their deferring to it is not an act of weakness but an act of strength, of carrying out their word.

2. Reason and be open to reason. What makes the negotiation a *joint* search is that however much you may have prepared various objective criteria, you come to the table with an open mind. In most negotiations, people use precedent and other objective standards simply as arguments in support of a position. Going one step further, some people begin by announcing that their position is an issue of principle and refuse even to consider the other side's case. "It's a matter of principle" becomes a battle cry in a holy war over ideology. Practical differences escalate into principled ones, further locking in the negotiators rather than freeing them.



You can usually shift the process from positional bargaining to a search for objective criteria.

This is emphatically *not* what is meant by principled negotiation. Insisting that an agreement be based on an objective criterion does not mean insisting that it be based solely on the criterion *you* advance. One standard of legitimacy does not preclude the existence of others. What the other side believes to be fair may not be what you believe to be fair. You should behave like a judge; although you may be predisposed to one side (in this case, your own), you should be willing to respond to reasons for applying another standard or for applying a standard differently. When each party is advancing a different standard, look for an objective basis for deciding between them, such as which standard has been used by the parties in the past or which standard is more widely applied. Just as the substantive issue itself should not be settled on the basis of will, neither should the question of which standard applies.

In a given case there may be two standards (such as market value and depreciated cost) which produce different results, but which both parties agree seem equally legitimate. In that case, splitting the difference or otherwise compromising between the results suggested by the two objective standards is perfectly legitimate. The outcome is still independent of the will of the parties.

If, however, after a thorough discussion of the merits of an issue you still cannot accept their proposed criteria as the most appropriate, you might suggest putting them to a test. Agree on someone you both regard as fair and give him or her a list of the proposed criteria. Ask the person to decide which are the fairest or most appropriate for your situation. Since objective criteria are supposed to be legitimate and because legitimacy implies acceptance by a great many people, this is a fair thing to ask. You are not asking the third party to settle your substantive dispute—just to give you advice on what standard to use in settling it.

The "getting to yes" negotiating method

1. Separate the people from the problem.
2. Focus on interests, not positions.
3. Invent options for mutual gain.
4. Insist on using objective criteria.

The difference between seeking agreement on the appropriate principles for deciding a matter and using principles simply as arguments to support positions is sometimes subtle, but always significant. A principled negotiator is open to reasoned persuasion on the merits; a positional bargainer is not. It is the combination of openness to reason with insistence on a solution based on objective criteria that makes principled negotiation so persuasive and so effective at getting the other side to play.

3. Never yield to pressure. Pressure can take many forms: a bribe, a threat, a manipulative appeal to trust or a simple refusal to budge. In all these cases, the principled response is the same: Invite them to state their reasoning, suggest objective criteria you think apply, and refuse to budge except on this basis. Never yield to pressure, only to principle.

Who will prevail? In any given case, it is impossible to say, but in general you will have an edge. For in addition to your willpower, you also have the power of legitimacy and persuasiveness of remaining open to reason. It will be easier for you to resist making an arbitrary concession than it will be for them to resist advancing some objective standards. A refusal to yield except in response to sound reasons is an easier position to defend—publicly and privately—than is a refusal to yield combined with a refusal to advance sound reasons.

At the least, you will usually prevail on the question of process; you can usually shift the process from positional bargaining to a search for objective criteria. In this sense, principled negotiation is a dominant strategy over positional bargaining. One who insists that negotiation be based on the merits can bring others around to playing that game, since that becomes the only way to advance their substantive interests.

On substance, too, you are likely to do well. Particularly for those who might otherwise be browbeaten by a positional bargainer, principled negotiation allows you to hold your own and still be fair. Principle serves as your hardhearted partner who will not let you yield to pressure. It is a form of "right makes might."

If the other side truly will not budge and will not advance a persuasive basis for their position, then there is no further negotiation. You now have a choice like the one you face when you walk into a store that has a fixed, nonnegotiable price on what you want to buy. You can take it or leave it. Before leaving it, you should see if you have overlooked some objective standard that makes the other side's offer a fair one. If you find such a standard and if you would rather reach agreement on that basis than have no agreement, do so. The availability of that relevant standard saves the cost of giving in to an arbitrary position.

If there is no give in the other side's position and you find no principled basis for accepting it, you should assess what you might gain by accepting their unjustified position rather than going to your best alternative. You should weigh that substantive benefit against the benefit to your reputation as a principled negotiator that could come from walking away.

Shifting the discussion in a negotiation from the question of what the other side is willing to do to the question of how the matter ought to be decided does not end argument, nor does it guarantee a favorable result. It does, however, provide a strategy you can vigorously pursue without the high costs of positional bargaining. ❑

KEEPING AN EDGE ON ENERGY COSTS

by Julie Burman

When restaurant owners in the Pacific Northwest were given a chance to cut electricity bills through a unique research program, a quickservice seafood chain—Skipper's—was first in line.

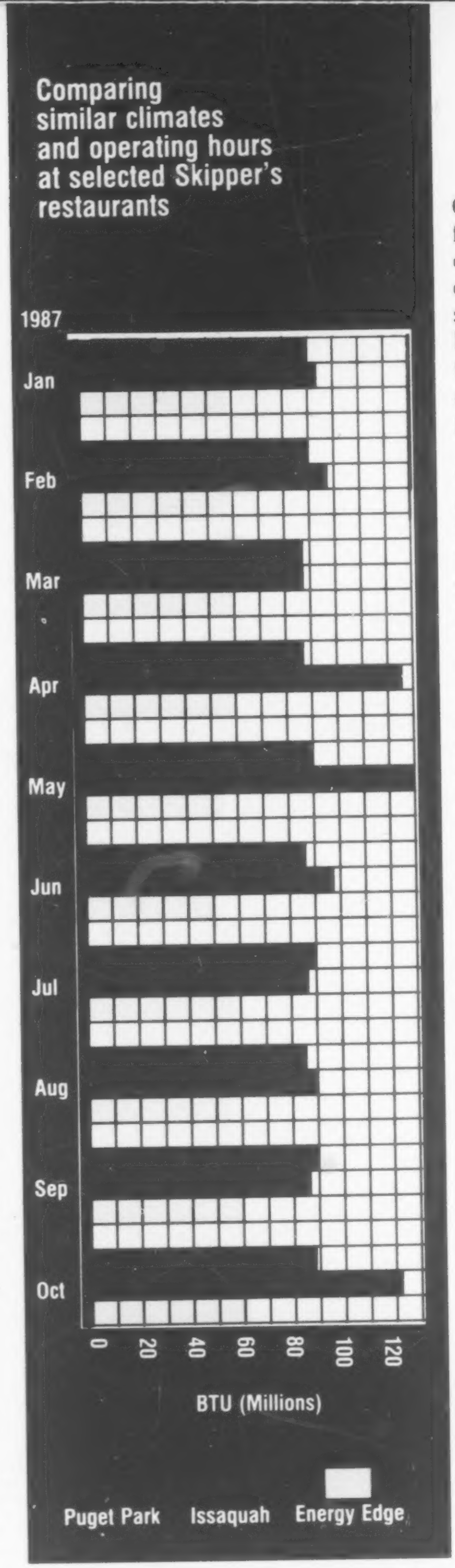
Officials at the 215-unit Skipper's chain were already convinced that efficiency pays. Last year, Skipper's energy bill dropped by $350,000 because the company had implemented measures as simple as increasing roof insulation and as sophisticated as linking all buildings to a monitoring system at the Bellevue, Washington, headquarters.

That's the kind of success story the Bonneville Power Administration wants with Energy Edge, a research project promoting super-efficient commercial buildings.

Although restaurants are the smallest buildings in the program, they were actively recruited because they are high-intensity energy users and have been largely overlooked in past energy studies.

Four restaurants—a new unit in each of the Skipper's, McDonald's and Burger King chains, plus the fullservice J.B. Steamers—are part of the program. They were built with energy-saving features, designed to reduce energy use by at least 30 percent. Bonneville, the Northwest's largest electrical wholesaler, picked up the tab for the extra measures, which go well beyond the industry norm. It is spending $10 million for

Julie Burman is public affairs officer for the Washington State Energy Office in Olympia, Washington.


Comparing similar climates and operating hours at selected Skipper's restaurants

design modifications, energy-saving features and the monitoring of 29 new commercial buildings selected for the Energy Edge program. The largest is a 62-story Seattle office tower.

In return, Bonneville is collecting research data. In each restaurant, 30 to 40 sensors track how well each energy-saving feature performs. Data feeds into an on-site computer 24 hours a day, and will continue to do so for three years.

The results will be ammunition for Bonneville which will use the data to convince other developers to install energy-saving equipment on their own. By aggressively promoting conservation, it hopes to minimize the need for costly new generating plants. Bonneville not only reimburses builders for the extra costs, but also provides technical assistance through field agencies. The Washington State Energy Office and Portland Energy Conservation, Inc., are working with the restaurant developers.

Energy cuts boost profits

Operators have much to gain from energy-efficient buildings. Although energy accounts for only 5 percent of an average fast food restaurant's operating budget, any increased efficiency can boost profit margins. According to industry observers, energy is one of the more controllable operating factors. For example, a typical McDonald's in the Northwest spends about $30,000 annually on electricity, according to Ed Ladewski, staff director of building systems at McDonald's' Oak Brook, Illinois, headquarters.

The Energy Edge McDonald's in North Bend, Washington, is expected to use 30 percent less electricity for heating, cooling, lighting and hot water than one that only meets minimum building code requirements—a tidy savings. This is the minimum targeted percentage for all participants in the project.

Since the region's codes generally are more energy efficient than the national average, that means the Energy Edge savings could be even greater in other parts of the country.

Curbing rising costs

Why are businesses interested? One key reason is to offset operating costs. "The increase in California energy costs in the last year has equaled the total per-kilowatt cost in Washington state," says Mark Pass, Skipper's vice president for real estate and development. "It hurts. It obviously affects profitability."

A 1984-85 study of seven East Coast restaurants, ranging from fast food to fullservice, found that climate control accounted for 28 percent of energy use. The other averaged results were hot water, 17.8 percent; lighting, 13.5 percent; and refrigeration, 5.8 percent. Cooking equipment accounted for the remaining 34.9 percent.

These results were kept in mind when the Energy Edge project was developed. For the Energy Edge restaurants, heat recovery systems are the largest energy-saving factor. The equipment accounts for half of the required 30 percent drop in electrical use; cooking equipment isn't included in the calculation of energy savings.

Heat recovery is expensive, but payback is rapid. McDonald's' specially designed, air-to-air heat recovery system can trim $4,000 to $5,000 annually from electricity bills—an impressive rate on a $12,000 to $15,000 investment. The system is optional, and has been available to McDonald's franchises for about four years.

In addition to the heat recovery system, the other Energy Edge components are a super ventilator for kitchen cooling, a heat-pump hot water heater and photocells to control exterior lights.

Although lighting uses a smaller percentage of electricity than a climate control, conversion costs are low. Restaurant Management Northwest, the largest Burger King franchise west of the Mississippi River, is switching from 75-watt flourescent tubes to super-efficient 36-watt tubes, at a retrofit cost of $500 per restaurant.

Not all innovations are practical. Extra insulation makes sense in areas with cold winters, but too much insulation may trap heat inside restaurants in hot climates, putting an extra load on air conditioning.

Skipper's once experimented with motion sensors for restroom lighting. "People who remained still for a long time ended up in the dark," Pass said. Needless to say, that feature wasn't expanded to other locations.

Passing the computer test

After energy-saving measures were selected for a site, a computer model was set up to see if the measures could cut energy use by the required

30 percent. The comparison base was a similar, hypothetical restaurant that met minimum Northwest building codes but did not have the extra features.

Computer modeling is a series of mathematical calculations, and is most commonly used in designing large office buildings. It's a relatively new application for restaurants, and generally costs $3,000 to $5,000 for a small facility. "We simulate how a building will use energy, such as square footage of glass area, wall insulation value, how much heat comes from the grill, number of people in and out, and the hours of use," explains Bruce Poulin, of North American Energy Services in Bellevue, which did the modeling for McDonald's.

McDonald's' most efficient store

Although McDonald's routinely tests energy-efficient systems at a Chicago restaurant, its Energy Edge store in North Bend will be the chain's most efficient unit. "We've had these devices in different stores, but not collectively in one major package," notes Ken Clement, regional vice president in Bellevue.

The North Bend site is expected to be 30 to 40 percent more efficient than a location only satisfying minimum building codes. The savings is estimated at 110,000 kilowatt-hours (KWH) annually, or $4,200.

The only measure being tested for the first time at North Bend is interior photocells. They "read" the amount of light coming through triple-insulated skylights and adjust the fluorescent lighting in various dining zones.

As part of the lighting improvements, standard four-tube fixtures were replaced with one and two-tube silver reflector fixtures, dropping electrical use from 1.85 watts per square foot to 1.1 watts.

Skipper's' energy management system

Skipper's' 2,500-square-foot research site in Seattle is expected to cut energy use 50 percent over a code-only restaurant. That's a savings of 75,000 KWH annually or $4,000.

Like McDonald's, the chain already uses most of the energy-saving features in some other locations. But Skipper's' key element is its unique energy management system (EMS). The computerized system, which Skipper's has installed in all its locations, controls lighting, refrigeration, exhaust/makeup air and heating and air conditioning.

Skipper's began installing the system in all restaurants in 1984, and has already upgraded it. Such automated controls are now standard in office buildings, but they have rarely been used in smaller structures.

The system costs $15,000 per restaurant, Pass explains, "but the payback is very fast—within three years."

"It takes the control of the energy usage out of the hands of the local manager and puts the monitoring system in our office," he says. "We can tap into any restaurant anywhere in the country at any time and discover if an energy package is functioning properly."

For example, an air-conditioning loss may indicate that a door has been propped open for a delivery;

LIGHTING MODER

Almost two of every three nonresidential buildings in America are 25 years old or older. Although recent technological progress has made these buildings obsolete in many respects, most are structurally sound. As a consequence, building modernization often is a more practical alternative than building replacement. In fact, since 1983, owners have spent more on building modernization than new construction.

Lighting frequently is one of the principal systems modified as part of overall building modernization programs. In some instances it is the only system affected. The utility-cost savings can be substantial because contemporary lighting is so much more efficient than what was available just 10 years ago. As impressive as these savings may be, however, improved lighting can generate bottom-line benefits whose value makes utility-cost savings seem small.

To understand the full potential value of modernizing lighting systems, consider how they are used in and around a building. Those who work in the building require lighting for virtually every task they perform. The better the lighting is, the more it supports visual performance. Better visual performance can increase workers' productivity, and the value derived from just a 3 or 4 percent productivity increase often is far more than the *total cost* of annual lighting system operation and maintenance. The same new lighting that provides increased employee productivity can also be 50 percent less expensive to operate and maintain.

Lighting can also be applied to enhance aesthetics, and the same outdoor lighting that beautifies a building and its environs at night can also be used to improve safety and security.

The key to deriving maximum return from an investment in lighting modernization lies in the approach used to obtain it. Two approaches are available: *lighting energy conservation* and *lighting management*. There is a world of difference between them. Lighting energy conservation but if the loss continues for an hour, Pass can pick up a phone and find out what is happening.

The downside is that managers can feel that "Big Brother" is looking over their shoulders, Pass acknowledges. But bonuses are based on profitability, and managers' attitudes change when they realize the system helps to cut costs.

At Skipper's, the only new Energy Edge feature is the waste heat recovery system, which uses waste heat from refrigeration and ice machine compressors to preheat air for the dining area.

Other measures are increased roof insulation, fluorescent lighting and an improved kitchen range hood.

Burger King is newest site

Skipper's isn't the only restaurant keeping a computer watch on its Energy Edge location. Restaurant Management Northwest, based in Portland, will be able to remotely check its new Burger King in nearby Vancouver, Washington.

The 2,600-square-foot location is the last of the Energy Edge restaurants being built, and it opens this summer. Energy savings are estimated at 34 percent.

Management Northwest already has computerized panels in many of its locations to control lights, exhaust hoods and gas valves. Other Energy Edge measures are a specially designed exhaust hood, increased roof and wall insulation, a vestibule and, of course, a heat pump. No decision has been made on making the heat pump a standard item in all new locations. "We want to get a year under our feet first," says Jack Anderson, Management Northwest's maintenance director.

Retrofitting the heat pump is impractical, costing $18,000 to $20,000, Anderson notes. However, the cost of installation in a new building is only a fraction of that cost.

Steamers tries unique pump

A heat pump using a saltwater exchange, rather than outside air or fresh water, is the unique energy element in Steamers. The 5,600-square-foot restaurant is built on pilings over Budd Inlet in Olympia, Washington. "We basically would have put in the same kinds of things without Energy Edge, but we wouldn't have gotten into the experimental aspects," says owner John Senner.

The Energy Edge measures, such as air-to-air heat recovery for ventilated air and economy cooling, encompass the entire 12,000-square-foot building, of which Steamers occupies the lower floor. Senner anticipates the energy savings will be $5,900 annually over a building without any extra energy features.

Unlike the chains, Senner cannot directly apply the Energy Edge measures to his other three restaurants, such as The Grainery in Billings, Montana, which are in remodeled historical buildings.

But Senner has found one measure that works in any building. "We try to train employees to turn off lights and fans when they're not needed," he says. Since there's no capital investment, the payback is guaranteed.

Restaurants wait for data

An initial report on Energy Edge results is expected late next year, with restaurant monitoring continuing into the early 1990s.

Skipper's already is well ahead of most restaurants in cutting energy costs, and the Energy Edge data are not expected to lead to any major changes. "It should help confirm what we think we already know," says in-house architect Will Harris.

Restaurant Management Northwest is not planning any major energy equipment changes in its Burger King locations until research results are in.

McDonald's is continuing in-house research, but hopes that Energy Edge will convince more franchisees to invest in optional energy-saving equipment. Although measures such as the super-ventilating kitchen hood are standard items and optional parking lot lighting controls are well accepted, only 200 of the 7,000 domestic McDonald's' opted for the more costly heat recovery system. Since 350 to 400 new stores open each year, "We want to show people that we do have devices that can save energy; and except for the interior lighting photocells, these are available to McDonald's operators right now," Ladewski says.

Energy: bigger factor in the 1990s

Although energy considerations are low on the list of priorities, operators may have a change of attitude as energy prices continue upward. The Department of Energy is predicting that oil prices will climb, with shortages likely in the mid-1990s, although these will not be as disruptive as those of the 1970s.

A small number of restaurant operators already are preparing. Those looking down the road at the inevitable increases are thinking in terms of efficiency, and the Energy Edge program is one example. ❑

NIZATION

concentrates on utility savings, while lighting management emphasizes the functions that lighting can perform. By designing and installing the system best-suited to perform these functions, and by relying on modern, energy-efficient system components, a full measure of lighting benefits—including low utility costs—can be obtained.

The National Lighting Bureau has prepared a guide—"Profiting from Lighting Modernization"—for lighting system decisionmakers who do not have lighting systems design expertise. By knowing more about the benefits of effective lighting and the components that provide it, they can develop lighting system objectives and communicate them effectively to those they retain for design.

To order this publication, send $5, which includes postage and handling, to The National Lighting Bureau, 2101 L Street, N.W., Suite 300, Washington, DC 20037.

—The National Lighting Bureau

Oh, the power of the simple oyster fork! Who would ever imagine that such a harmless utensil or its relatives, such as the fish knife and the asparagus tongs, could bring mighty giants to their knees? But it's true. As many restaurateurs can attest, countless business executives—the same ones who waltz through million-dollar deals or effortlessly conquer complicated computers—sweat and writhe when confronted with an elaborate placesetting or an unfamiliar dining situation.

These high-powered pros didn't make it to the top by throwing in the napkin when confronted with a problem, however; and now they have begun to take their elbows off the table and fight back. Leading corporations increasingly are turning to etiquette experts in the hopes that their arsenal of savoir-faire will keep employees' fingers out of the pate.

What does all this mean to the restaurateur? An increasingly etiquette-conscious diner may mean that operators and their staffs will have to go back to school themselves, to prepare for a more sophisticated and possibly more demanding customer.

Seminars and videos

Who are these mavens who are introducing executives to the intricacies of the dining tables? One such organization is The Executive Training Institute in Taunton, Massachusetts, where hundreds of individuals have completed an executive etiquette course since the parent company, The Executive Etiquette Company, first opened its doors almost four years ago. According to Linda and Wayne Phillips, co-owners of the institute, every business is viewed as a potential customer, and even restaurants and hotels are numbered among their clients.

The Executive Training Institute offers two different etiquette courses. The first, usually given at Boston's Hotel Lafayette, is an in-depth program spanning two days, limited to six attendees. Usually, the program is attended by prospective etiquette consultants and corporate personnel managers and directors of training. The other course, which consists of on-site training at the corporate site, is usually held in the company's conference room, is limited to 20 people and is three hours long.

These courses aren't cheap, however—businesspeople are shelling out some serious clams to learn how to eat their oysters. In general, etiquette experts can receive upwards of $2,500 or more for full-day sessions or those given during weekend retreats. But individuals interested in a bargain might soon be able to get an at-home lesson, Jane Fonda-style. Marjabelle Young Stewart, the owner of a franchise called White Gloves and Party Manners Schools, contributor to an etiquette segment on television's "Hour Magazine" and author of numerous etiquette books, soon will release a videotape entitled "Power Polish for Professionals," which will be available to the public for $30. And for those who like to read the book before they see the movie, early next spring Doubleday will publish *The Concise Guide to Executive Etiquette*, by Wayne and Linda Phillips.

Return to style

Why are these etiquette courses necessary? Linda Phillips of the Executive Etiquette Training Institute believes that the decline of etiquette training in the home has led to the current need for etiquette programs. "There was a time," Phillips says, "when etiquette was taught at home or in boarding schools. But now mother is not at home to say 'Get your elbows off the table,' because her elbows are on the work desk." Phillips also points to the popularity of fast food and to a Rand Corporation Population Research Center study that found that families only eat as a unit once a week. Seldom, notes Phillips, are fish knives and dessert spoons an integral part of these occasions.

Equally important to the rise of these etiquette programs, however, is an overall return of graciousness at the dinner table. During the past decade, the public has become sensitized to presentation styles by the appearance of nouvelle cuisine, and elegant home entertaining is undergoing a surge in popularity.

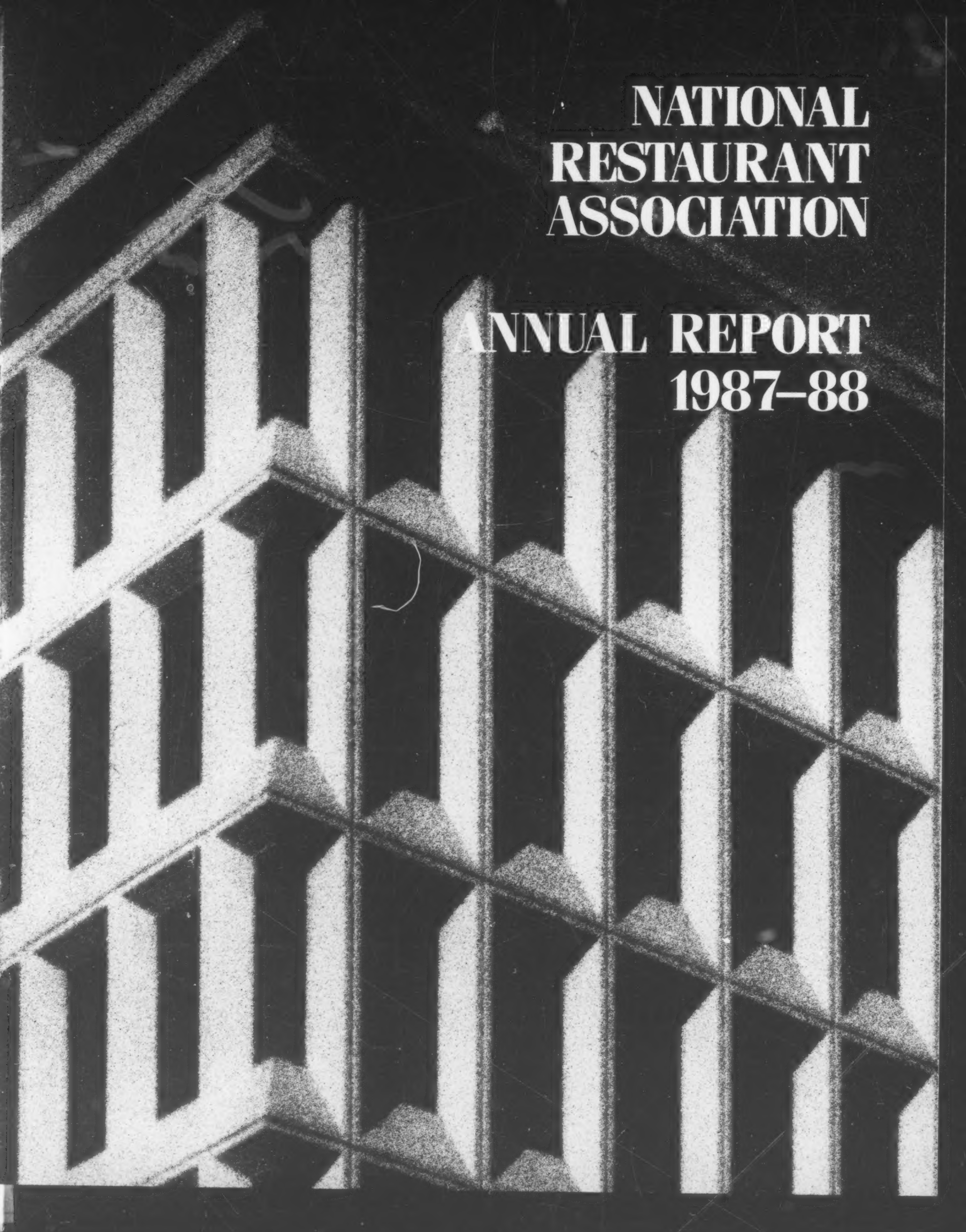
How do your table manners stack up?

Answer true or false to these common dining situations.

1. Resting your elbows on the table is acceptable today.
2. You will generally be safe if you select your glassware and flatware from the outside in.
3. It is acceptable to drink from a consomme bowl.
4. Asparagus may be eaten with the fingers.
5. Sipping liquid while food is in the mouth is acceptable.
6. At a business meal, one should only order items that are easy to eat.
7. It is acceptable to lift the half shell of a clam, mussel or oyster to the lips to sip its liquid.

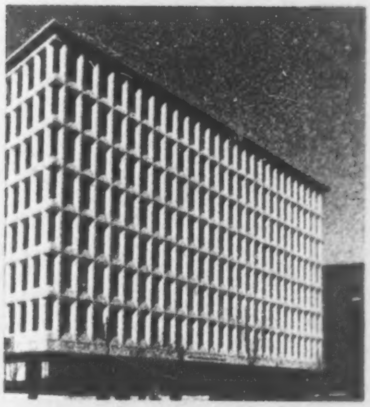
Answers: 1. False; 2. True; 3. True, if the consomme is served in a two-handled soup bowl; 4. True, if the stalks are firm and unsauced; 5. False; 6. True; 7. True, provided the diner does not slurp.

MEALTIME
AU REVOIR



NATIONAL RESTAURANT ASSOCIATION

ANNUAL REPORT 1987–88



Acquired in 1988, the National Restaurant Association Building in Washington, D.C., will serve as a solid emblem of our industry's presence in the nation's capital and our determination to improve the conditions under which we do business.

A letter from Michael J. Grisanti, Chairman of the Board and President, 1987–88

The National Restaurant Association adopted a powerful symbol this year when we purchased our new headquarters building in downtown Washington, D.C. The size and location of our headquarters underscore the national prominence that the association has assumed in its role as protector, educator and promoter of the foodservice industry.

This was another year of strong growth for both the foodservice industry and the National Restaurant Association. In 1987 the industry experienced its seventh consecutive year of real economic growth, and we're headed for our eighth in 1988. The association now has more than 13,000 members representing more than 100,000 foodservice outlets.

Nowhere was this growth more evident than at this year's National Restaurant Association Show in Chicago. More than 103,000 people attended this year's event, which featured 1,900 exhibits, dozens of educational programs and a chance for operators to meet and exchange ideas.

One of the results of this industry's success is a greater role for the National Restaurant Association. We have responded to industry growth with a comprehensive set of programs in education, promotion and government affairs.

The association remains the leading source of information about our industry. Training and recruitment of employees have reached new importance in today's foodservice operations, and the association is rapidly expanding its educational offerings. Promotion, too, is of utmost importance when trying to attract quality employees to the industry. We have worked hard to position the industry and its views in a positive light to the news media.

Great emphasis was placed on government affairs in the past year. It seems that our industry's success has placed us in a vulnerable position with regard to regulation and restrictive legislation. Consequently, we have been forced to battle many issues affecting foodservice. We have won some battles, many are still in limbo, and some are still to come. By enlarging our staff and engaging independent lobbyists to assist us, the association has sent a signal to the government and to special interest groups that we will not sit back and accept misguided legislation without a fight. More importantly, we laid the foundation for a strong grass roots political campaign that should prove to be our most effective weapon yet in getting the foodservice industry's voice heard in Washington.

And, of course, one of the most exciting accomplishments of the year was the selection and purchase of the new headquarters building in downtown Washington, D.C. The staff moved into the top three floors of the building in March, and we will rent out the remaining floors. The desirable downtown location makes the structure a good financial investment and a symbol of our industry's continuing determination to achieve recognition and prominence in the nation's capital.

EDUCATION

The Educational Foundation

Last year the association's educational programs department consolidated with the National Institute for the Foodservice Industry to create the Educational Foundation of the National Restaurant Association. The result is an organization dedicated to providing seminars, conferences, educational materials and scholarships to professionals and students who are seeking to enhance their careers in the hospitality industry.

In the past year the Educational Foundation reached its broadest audience yet by offering a set of programs including college-level courses, home-study courses and a popular slate of seminars. The Foundation also expanded its video training programs last year to a total of 15 tapes, including a new series on wine service. These video programs help operators assemble or supplement their own training programs.

The Foundation also sponsors nationwide conferences that focus on particular subjects or types of operations. One of the most successful conferences of the year was the association's Independent Foodservice Operator's (INFO) Conference. Held in Miami, this conference focused on problems and challenges specific to the situations of independent operators. Featured speakers at the INFO Conference included Robert Patterson, managing partner at Laventhol & Horwath, and Denise Fugo, co-owner of Sammy's Restaurant in Cleveland.

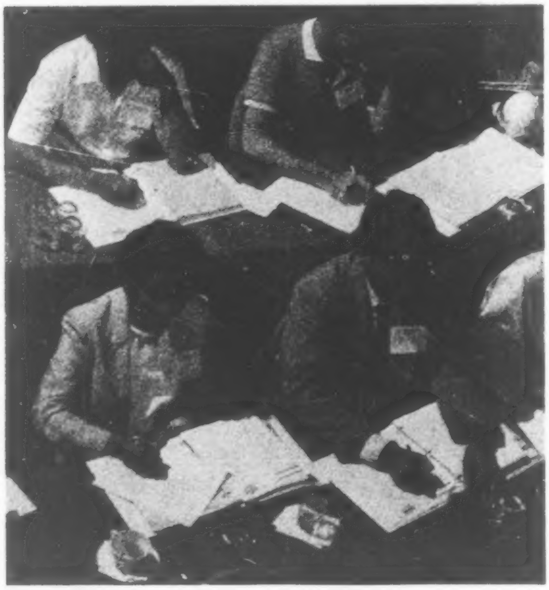
The industry's largest scholarship and grant program is administered by the Foundation. In the past year the Foundation distributed 178 awards—valued at $226,000—aimed at enhancing the recipients' knowledge of the hospitality industry. These awards include scholarships to students as well as fellowships and work-study grants to teachers. Leading industry companies and associations fund the Foundation's awards.

In addition to carrying out its educational role, the Foundation vigorously promoted career opportunities to help recruit new workers. Career materials were distributed to more than 40,000 high school students, counselors, teachers, parents and foodservice operators.

Research

The association's Research Committee enhanced the education effort by tackling a variety of subjects in preparing timely research projects and publications. Especially popular this year was the *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry.* Other studies focusing on such issues were also undertaken in a year in which labor issues rose to the forefront. Along these lines, the *Current Issues Report* "Foodservice and the Labor Shortage" examined the results of several studies in looking at the severity of the labor shortage and how industry employment has changed as a result.

The Information Service and Library (ISAL) fielded over 25,000 inquiries last year on subjects ranging from how to start up a restaurant to nutritional menu planning. Expanded library facilities at the new association headquarters make the collection more accessible to visiting members than ever before. ISAL also produces a useful biweekly publication entitled *Foodservice Information Abstracts,* which keeps subscribers informed of key articles appearing in foodservice industry publications.



PROMOTION

Communications

Promotion of the foodservice industry is important in a time of growth. As the association seeks to attract new workers to the industry and help continue industry expansion, it is important that the public is presented with the industry's point of view. The Communications Committee is charged with the task of generating information for the news media and association members.

As foodservice enters the daily lives of more Americans, stories about the industry are attracting more attention from all types of news media. In the past 12 months the media relations department placed more than 7,000 articles about the industry and the association in both trade and consumer publications including *The New York Times*, *The Wall Street Journal* and the *Los Angeles Times*. Television and radio news programs followed foodservice industry issues at the national network level and in major local markets as well. Of particular interest have been stories about the response of the restaurant industry to proposed labor legislation. During this past year the association worked with the Minimum Wage Coalition to prompt 600 editorials opposing an increase in the minimum wage. These editorials were bound into two volumes and sent to congressional representatives and senators on Capitol Hill. In addition, association efforts led to more than 200 articles in daily newspapers protesting the imposition of the FICA tax on tips.

The association's publications help to educate its most important spokespeople—foodservice operators. In keeping the membership educated, the association encourages an informed and unified response to industry issues. The association's monthly magazine, *Restaurants USA*, keeps members abreast of restaurant innovations on subjects ranging from direct-mail marketing to trends in delivery, and also provides association news and issue updates.

The *PRO-MOTION* newsletter is an association publication that helps restaurateurs generate their own promotions. Subscribers to *PRO-MOTION* find the newsletter especially helpful for planning seasonal and holiday promotions. Grandparents Day was featured in last year's July issue and sent to all association members to help promote the holiday as a dining-out occasion.

The association also produces special publications on timely issues as needed. For instance, a special set of videotapes was produced this year to help operators deal with the AIDS issue.

The Communications Committee has been actively promoting the industry as a source of rewarding careers. More than 7,500 copies of the videotape "Ours Is a Special World," which celebrates employment in the hospitality industry, were distributed to vocational guidance teachers this year. In addition, an advertisement for careers in foodservice appeared throughout the year in publications read by high school students and their teachers.

Monterey Wine Festival

The Monterey Wine Festival was held under the direction of the National Restaurant Association for the second consecutive year and brought hundreds of wine experts, wine distributors and restaurateurs for three days of wine events and discussion. This year the Festival served as a showcase for 200 wineries and 800 wines and educated the membership about the best available wines to serve in their restaurants.

Projects With Industry

As the foodservice industry seeks methods of dealing with America's labor shortage, the association's Projects With Industry (PWI) program has received widespread attention and assumed increasing importance. PWI has succeeded in raising awareness about handicapped workers as productive, reliable and enthusiastic foodservice employees. A series of conferences on hiring older workers and trained workers with disabilities was held and well attended during this past year in Washington, DC., New Orleans and New York. PWI programs were also featured at state trade shows in several states and at the Chicago Show in May. Numerous trade magazines have taken notice of the program, including *Nation's Restaurant News*, *Restaurant Business* and *Restaurant Management*. The PWI program is combating the labor problem and finding useful employment for the handicapped at the same time.

The Show

Both promotion and education are incorporated into the association's signature foodservice event, the annual National Restaurant Association Restaurant, Hotel-Motel Show. The Show displays the industry at its best and provides an opportunity for foodservice operators to learn about the latest trends in food items, techniques and equipment. This year's Show was held May 21–25 in Chicago, and more than 103,000 people attended the Show's events.

Attendance at this year's show was fueled by a 25 percent increase in international attendees and included 15 international exhibitors, including representatives from Italy, New Zealand, Germany and Austria. Also adding to the Show's international flavor was the Ice Carving Classic, which featured teams of ice carvers from countries including Singapore, Mexico and Canada. The popular Culinary Arts Salon expanded to twice its previous size this year. In this competition, chefs created artful presentations of buffet displays and centerpieces using foods such as pulled sugar, pastries and marzipan.

The Show was also a major educational event as operators were able to choose from dozens of seminars, lectures and management clinics. Featured speakers at this year's Show included Madame Jehan Sadat of Egypt, economist Arthur Laffer and television journalist Tom Brokaw, who spoke at the Show's opening day ceremonies following an address by Chairman of the Board and President Michael J. Grisanti.

Membership

The Membership Committee recruits new members through progressive marketing techniques such as direct mailings and an extensive telemarketing program. Special agreements negotiated this year added 4,000 members to the association through programs making them joint members of both their national and state associations in Maryland, Hawaii, Mississippi and Washington. The association's sales staff was also expanded this year, adding a full-time representative for the Phoenix, Arizona, area to complement the Chicago and Washington, D.C., area staff. Membership renewal rates have risen steadily in recent years and reached a high of 85 percent this year. A new direct-mail campaign has recently been undertaken that involves celebrity restaurateurs inviting their fellow operators to join the association.

NATIONAL RESTAURANT ASSOCIATION

Ice Carving Classic

GOVERNMENT AFFAIRS

Government Relations

The past year has been an active one for the committees dealing with government affairs. The U.S. Congress proposed several labor and regulatory bills that would interfere with how restaurateurs run their businesses. Consequently, the association fought these efforts at every step in the legislative process.

Two major political victories were won through the association's efforts this year. On March 29 the Senate withdrew the High Risk Occupational Disease Notification Act, which would have imposed an unreasonable liability on restaurateurs with regard to employees who had come into contact with dangerous substances at previous jobs. The association called for more realistic ways of handling the problem and was instrumental in having the bill withdrawn.

Similarly, fast food labeling legislation, which would have required ingredient labels on all takeout and fast food, was set aside by Congress. Individual companies were able to show more viable ways to provide consumers with ingredient information, and association lobbyists convinced Congress that the bill was unnecessary.

Despite these victories, the association still faces many challenges in regard to legislation now in Congress. Chief among these are bills concerning minimum wage, mandated benefits and parental leave. The steps taken during the past year to increase grass roots participation by members should help prevent these bills from becoming law.

The State Relations Committee succeeded in more than doubling the number of Key Contacts in the last year. These restaurateurs act as liaisons between the industry and members of Congress. This nationwide network has more than 425 participants and is still growing. The association also enlisted the services of a telemarketing firm this year to gather a show of support to Congress on issues affecting the foodservice industry. In this program association members were contacted and asked for permission to have mailgrams sent to members of Congress in their name. Using this method, the association was able to send Congress more than 85,000 messages opposing a higher minimum wage.

In April the association held a "Washington Rally." More than 100 operators came to the capital to meet one-on-one with their representatives and senators concerning minimum wage and tip credit legislation. In addition, a minimum wage/tip credit hotline was established through which operators can send a message to Congress. More than 3,300 mailgrams have been dispatched through this service. In March the trade press carried an open letter from Chairman of the Board and President Michael J. Gresanti to the entire industry calling for political action to stop adverse legislation. Appearing in six major publications, this message was seen by hundreds of thousands of operators.

Congressional Leadership Forum

The Political Education Committee works to bring restaurateurs, suppliers and hospitality industry representatives together with legislators and political figures to exchange ideas. The committee raises money through the Congressional Leadership Forum (CLF) to put together events that show foodservice operators how government works and inform legislators as to the priorities of the foodservice industry.

A strong new fundraising effort this year succeeded in raising more than $257,000 from corporate sponsors to fund a series of educational events, including the annual Public Affairs Conference held on Capitol Hill. The Public Affairs Conference brings together hundreds of restaurateurs and congressional representatives for three days of dialogue and idea exchange. The very popular Chef d'Oeuvre Reception was attended by more than 230 congressional representatives and senators as well as hundreds of visiting restaurateurs who discussed issues with their legislators over a buffet furnished by leading Washington, D.C., area restaurants. Noted speakers at the Public Affairs Conference last year included House Majority Leader Tom Foley, Senator Harry Reid of Nevada and Secretary of the Interior Donald Hodel.

The Congressional Leadership Forum also funds the Congressional Visit Program, which brought 19 members of Congress to the annual Show in Chicago this year. As usual, representatives who attended the Show were impressed with the scope and innovation of the foodservice industry's largest event. These members of Congress attended the Show's Grand Banquet, a festive event that also honors the incoming association president and corporate sponsors of the Congressional Leadership Forum.

Other popular events sponsored by the CLF include the First Thursday breakfasts, a monthly forum bringing together supporters of the foodservice industry with members of Congress and key political figures. Speakers at these breakfasts included Senator Rudy Boschwitz of Minnesota, Democratic National Committee Chairman Paul Kirk and Republican National Committee Chairman Frank Fahrenkopf.

Political Action Committee

The Political Action Committee (PAC) of the National Restaurant Association promotes the legislative agenda of the hospitality industry by making direct contributions to the campaigns of candidates for the U.S. Senate and House of Representatives. The amount of funds raised by the Political Action Committee has grown steadily, and the association's PAC has gained influence accordingly.

Last year was a record-setting year as the PAC moved toward its goal of $400,000 for the 1987–88 election cycle, an amount that will surpass all previous totals by 63 percent. PAC leaders have embarked on an aggressive new campaign, expanding the number of fundraising leaders serving as PAC trustees from 12 to 18 and heightening the PAC's profile. Because of these efforts, a record number of candidates will be supported in this year's elections.

In addition to fundraising, PAC leaders also schedule events around the country to showcase congressional candidates and meet with restaurateurs. PAC events were held this year in California, Washington, New Hampshire, Colorado, Nebraska and Missouri, among other states.

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"Our industry is unique in America today. In an age of high technology it is driven by the service ethic and committed to human desires for nutrition, relaxation and the simple pleasure of good cuisine. Building on past successes, the National Restaurant Association will continue to foster the conditions under which our industry can thrive."

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MANNERS

ES FAUX PAS

The curriculum

So what can restaurateurs expect from their etiquette-savvy customers? Attendees at etiquette programs learn everything from specialized utensils to foods that should be avoided at business meals. In addition to learning proper dining decorum (sitting upright with the body leaning slightly against the back of the chair, hands resting in the lap or wrists on the edge of the table), students are introduced to the "cover" (china, crystal and flatware), including the geography of the placesetting—forks normally to the left, knives and spoons to the right. They learn that utensils and glassware for each succeeding course are selected from the outside in, that plates are served from the left and removed from the right, and when and how to use specialized utensils.

Proper course sequence is another point covered. For example, attendees learn that in proper formal service, the salad is served in the European fashion—after, not before, the entree, and that the sequence of courses at a formal dinner would usually be as follows: appetizer, soup, entree with accompanying vegetables, salad, a variety of cheeses, hot or cold dessert, and hot or cold fruit.

Seminar attendees also are counseled to avoid situational traps that can catch an unwary business diner off guard. They are told to stay away from difficult-to-eat menu items, such as fried chicken, spare ribs, lobster, artichokes, spaghetti, large salads and French onion soup, with its tantalizing but chewy cheese crust. Good bets for business diners, they learn, are easy-to-cut items like veal, roast turkey and boneless fish.

On your toes, maitre d's

An etiquette-savvy customer is going to mean more work for maitre d's. Etiquette experts say that host executives must take charge and assume a leadership role in the business dining experience. Their advice includes knowing what to look for when selecting a table for business—a spot away from mirrors, removed from kitchen and restroom traffic, and spacious enough to accommodate the spreading out of papers. Executives are taught to familiarize themselves with the dining establishment, to visit the maitre d' beforehand, to discuss table requirements and arrange for payment of the bill so that the check never arrives at the table.

Prior contact with the maitre d' may be particularly important for the female host. It removes ambiguity, defines her role at the business function and indicates that the preferential treatment traditionally afforded to females (being shown to the best seat at the table, assistance with the chair before seating) should be extended to her guest, the client. Female hosts in particular may want to arrange for payment of the check beforehand, either by leaving a credit card with the maitre d' or by arranging for a separate billing to the office. This eliminates any awkwardness that might arise when a male client wants to pay the bill.

Upgrading service

Etiquette-savvy diners are likely to want to use their new found skills not only to proclaim the difference between asparagus and escargot tongs, but also to watch for breaches of service. Waiters should be trained to approach a table of business diners shortly after they are seated and to expect that courses probably will be few and the party will want to get down to business quickly. They will send nonverbal signals when they are finished such as to indicate, "I am resting" or "I am finished." (The "I am resting" cue is to place knife and fork facing each other in the middle of the plate, almost touching. The "I am finished" signal is putting the knife and fork parallel to each other on the plate, with the tines and blade pointed to 11 o'clock and handles pointed to 4 o'clock.)

Can you name these utensils?

Can you name these utensils that often throw the uninitiated diner for a loop?

1. This utensil is approximately five inches long. Its three prongs usually rest in the bow of, or alongside the soup spoon. Sometimes it is also shown as the first utensil on the left hand side of the plate. The only time a placesetting can have more than three of one kind of utensil is when this implement is used.

2. This specialized utensil is traditionally the first one on the left-hand side of the plate. It has four tines that are usually broader than those of other forks.

3. At an informal dinner, these utensils may lie above the dinner plate. At a formal dinner, they are usually brought to the diner with the finger bowl. These utensils may be used in tandem, European-style.

4. This vestige of Victorian society sports a slightly scalloped edge and is held like a pencil. It rests on the right-hand side of the placesetting, usually between the dinner knife and the soup spoon.

5. This item is brought to the placesetting after the salad and before the dessert, arriving on a doily on the dessert plate, often with the dessert utensils. Don't drink from it!

Answers:* *1. Oyster or seafood fork; 2. Fish fork; 3. Dessert utensil; 4. Fish knife; 5. Finger bowl.

How to eat without styrofoam

Once a month a busload of youngsters pulls into the Fourways Restaurant in Washington, DC, for a three-hour etiquette education program. According to Barbara Balman, director of catering and special events at Fourways, the program is designed to educate youngsters about proper restaurant behavior in a fun way they will remember. The three-hour session is broken into five parts:

1. Tour of kitchen. Students are given a tour of the restaurant and kitchen. The chef shows them where their food will be prepared and explains some of the equipment used in the preparation.

2. Instructions. Students learn about restaurant service, staffing and tablesetting when they sit down to lunch. The explanations are given before the meal arrives and in between the four courses.

3. Service. Students are waited on by a full staff of captains, waiters and support staff. The menu is the same for all students, but it varies depending upon the wishes of the group.

4. Tableside cooking demonstration. The captain demonstrates tableside cooking techniques.

5. Napkin-folding contest. Students learn about various basic shapes into which napkins can be folded; then they are asked to create original designs. A prize is awarded for the most original shape: dinner for the student and his or her parents at the restaurant.

The cost of the program varies. The instruction is free, but students pay for lunch on a sliding scale from $1 to $40, based on financial ability.

"This is one project the whole staff is excited about," Balman says. "With today's quick pace always bending one toward fast food, kids don't know how to conduct themselves anymore. That's a terrible loss. Manners are a very important part of society. With 'Etiquette Education,' we feel we are really doing some good."

Enriching the experience

Finally, restaurateurs may want to offer etiquette classes of their own, especially for youngsters (see sidebar). Through these light-hearted exercises, children, as well as adults, can learn that manners are not meant to be intimidating sets of rules. Instead, as Emerson wrote, "Manners are the happy ways of doing things." ❑

10 KITCHEN DESIGN MISTAKES TO AVOID

The best rule to use on all kitchen design is to plan for what you need and to buy the best you can afford.

A kitchen that allows its chef to create dishes without searching for the right pan or hunting for produce is the backbone of an operation able to serve as many people as the front of the house can attract. A kitchen built haphazardly or with only cost-cutting in mind may lose in the long run as short-term savings become long-term headaches.

Creating a new kitchen or reconfiguring the space in an existing one requires a careful balance of flexibility and planning. Because the kitchen is the soul of a restaurant, it needs the best it can have.

Design consultants agree that before a detailed kitchen plan must come the menu and a solid professional team, including the chef and owner or general manager as well as the architect or engineer, designer, contractor and even the equipment dealer.

"The menu is the blueprint that dictates equipment in your kitchen," say Victor Broceaux, director and chef of Reflections on the Bay in Miami and vice president of Restaurant Associates in New York. "Many investor-owners bring in a famous chef and let him have whatever he wants in the kitchen, wherever he wants it. Then the chef leaves, and the next famous chef spends a fortune customizing the kitchen to *his* needs. Better to design to the needs of the concept and restaurant than to a chef who may not always be there."

Bumps Baldauf, an independent design consultant who works with Berlin Food Equipment in San Francisco, likes to go through a design plan with the owner and chef to find glitches in the design before plans proceed too far. "I point to the saute area and ask the chef what he will do with the hot pan when he is finished. Does he need a counter or nearby sink? If the design isn't right, he will end up sliding the pan on the floor toward the potwashing station."

Future plans should also be considered. With some success, it is possible that you will expand, change the menu or alter the concept in a few years. Will your design still work? Without flexibility in the basic facility—plumbing, ventilation, electricity—an expansion or a new menu can be unnecessarily costly.

"There is a trend toward designing kitchens in modular form, to allow for change later," says Stanton Abrams of Abrams & Tanaka, a food facilities consulting and design firm in Santa Monica, California. "People are learning that a kitchen that is custom-designed the first time will be difficult and expensive to change."

Abrams cautions owners not to be too busy to go over renderings with their architects and designers. "Catching mistakes and misunderstandings early in the planning stages saves money," he says. "The time to catch errors is when the pencil goes down, not after the drawings are developed."

With careful planning, attention to the advice of experts, and realistic expectations, a kitchen design should be a success. But kitchen design consultants, engineers, contractors and equipment dealers caution against committing simple but costly errors. Here are 10 of the most common kitchen design mistakes cited by the experts:

1 Neglecting time and motion when creating a traffic pattern. Don't make your kitchen so large that you exhaust the chef and lose valuable seating in the dining room, nor so small that the staff collides in the aisles. Abrams says the cook's aisle should be three feet wide. Any more or less will waste steps or cramp the staff. Earl F. McKinney, principal of Hamill & McKinney Architects and Engineers in Lexington, Kentucky, says, "We design kitchen equipment to a two-step rule. If someone has to take more than two steps to complete a task, they are wasting time and energy."

Most designers recommend allotting 25 percent to 35 percent of a restaurant's total square footage to the kitchen. Any extra space can be assigned to other purposes. "Use the space for linens or secure storage if you can afford the luxury," Abrams suggests. "Otherwise, turn it into additional seating or hand it back to your landlord. Why pay for space you don't need?"

2 Buying expensive equipment you don't need—or cheaper equipment than you should have. Falling in love with a piece of equipment that has every possible bell and whistle but hasn't been on the market long enough to be time-tested is risky. When considering a labor-saving piece that is new on the market, determine how much you will have to use it before it has earned back your investment.

Likewise, Baldauf reminds owners that cheap and inexpensive are not the same thing. "If you are able to negotiate a good price with a dealer because of the quantity you are buying, that's terrific. But buying a range with lightweight sides and doors only ensures that you'll spend more money in the long run. I don't know any cook who closes oven doors with his hands. They all kick them closed; and if you buy a cheap range, you'll be replacing the doors all the time."

3 Underestimating storage needs. Calculate the storage and shelving you'll need, then add more, says Jim Finnerty, director of construction and maintenance for Restaurant Associates. Restaurants often scrimp on tray slides for their refrigerated areas and have to order more later, he says. He also advocates a stainless-steel table in the cold prep area, with shelves built above and below.

With the increasing interest in extensive wine lists and beers, secure storage has become more important. If a kitchen is built without a plan for beverage storage, you may find half of your food storage taken over by liquor while crates of tomatoes sit in the aisle. One solution is to incorporate specially designed wine display cases into the design of the dining room.

However, too much storage can cause clutter problems. Broceaux believes shelving should be above the waist only. He complains that below-the-waist shelves and drawers collect things and never get cleaned out. Abrams has seen the same clutter problem with shelving. He solves it by building shelves that are 20 inches deep—deep enough for three #10 cans but too narrow to collect junk.

4 Failing to consider refrigeration needs. "Owners think they must have a walk-in freezer for storage," says Broceaux. "I think that discourages them from using the freshest ingredients, since only desserts and shrimp really have to be frozen. If you have to rotate your stock and use fresh food, your food will be better. In addition, the less freezer space you have for storage, the less money you will invest in inventory."

Most consultants prefer one cold storage walk-in and several refrigerators at the appropriate stations. "Small refrigerators on the line are often eliminated as a cost-cutting measure," say Finnerty. "But owners always add another refrigerator—and it's usually a small two-door box near the chef. Several small refrigerators are better than one large walk-in."

5 Scrimping on floors. The opinion seems unanimous that nonskid quarry tile is the best flooring to use in a kitchen. It wears better, cleans more easily and is safer when wet. It is also expensive, so many owners are tempted to install vinyl, acrylic or plastic flooring. The difference in cost can be $1,000 or more by selecting less-expensive flooring. But the added costs of placing strips of nonskid tape and keeping them clean; repairing tears and leaks; and, perhaps, defending yourself in slip-and-fall lawsuits quickly eat up any early savings.

6 Failing to forecast additional electrical needs. As your business expands and you add new menu items, you may find yourself acquiring small countertop appliances. Without planning ahead of time, you'll run out of outlets and be tempted to move that new espresso grinder or slicer from its logical location to an inconvenient spot in the back of the kitchen where an outlet isn't being used. The rule here is to overestimate the outlets you'll need.

Marcia Hibsch Coppess is a freelance writer in Pasadena, California

Finnerty recommends that you rough in extra electrical outlets during the original building stage to avoid costly problems later.

7 Creating gridlock in the pick-up and service areas. "If your waitstaff or bussers have to walk past the line to drop off dirty dishes, then back again to pick up more orders, you're wasting their time and your money," Finnerty says. "Create a traffic pattern that allows them to drop off dishes, pick up entrees and move on through the line without retracing their steps." A dirty dish table at the kitchen entry from the dining room is one solution. It can serve as a drop-off point during rush hours and allows a smooth cycle of traffic.

8 Overlooking the importance of light. Lighting prevents mistakes, aids in cleanliness and keeps spirits up. A dim area or one lit by glaring bulbs causes eyestrain and requires extra effort from your staff.

"Most raising of tempers in the kitchen is the result of poor lighting and ventilation," Broceaux asserts. "The cook who stands close to the stove is exposed to more-than-100-degree temperatures. Add that to the pressure and speed required in the kitchen, and without decent lighting and fresh air, tempers flare."

Broceaux uses overhead lights to illuminate his kitchens. "I don't use spotlights and I only use fluorescent lighting if I can combine it with additional lighting that will correct the color," he says.

9 Neglecting to consider noise and odor levels that may travel to the dining room. Don't forget to anticipate the noise and odors that emanate from the kitchen. If your design does not incorporate doors between the kitchen and dining room, you can muffle the sound by dropping headers above the door openings or acoustically treating wall surfaces. Avoid duct work with too many 90-degree angles or horizontal runs, because they create noise.

Most restaurants successfully avoid odor problems. But some builders, in an attempt to save money and labor, disregard the proper ratio of makeup air necessary to prevent odors from wafting into the dining room. Consultants recommend that 85 percent to 90 percent of the makeup air in a restaurant should be provided by exhaust hoods, allowing about 10 percent to be drawn from the dining room.

10 Disregarding receiving, breakdown and waste disposal. Because it is not a public service area, it is easy to ignore the back of the kitchen. But the receiving and waste areas are some of the busiest spots in the restaurant. With careful planning, the back of the house can keep the cooking areas working smoothly.

Baldauf advocates installing a breakdown table just inside the back door. There, a pantry person can clean out a crate of lettuce, dispose of old leaves and place the rest in a smaller container in the refrigerator. A six-foot-by-30-inch stainless steel table with sink and disposal costs less than $1,000 to purchase and install, he says.

"It is a luxury, but the investment is worth the time your staff will save," he says. "The pantry people feel ahead of the game if they can walk into the refrigerator and get cleaned lettuce. It also helps hold down insect problems because unclean produce never gets past the back of the kitchen."

Depending on your location, your garbage disposal area may be in view of arriving customers, Baldauf points out. "If you neglect to create an attractive enclosure and a customer happens to park in the back of your lot, that row of cans will be the first impression of your operation. Your interior may be created by the best designer, but that customer's memory of your restaurant will be an overflowing dumpster."

The best rule to use

The best rule to use on all kitchen design is to plan for what you need and to buy the best you can afford.

"If you can't buy top quality, get the best you can," Baldauf urges. "If you are set on owning a particular piece that you can't yet afford, leave the space empty and fill it when you *can* buy the top of the line. Don't waste your money now on cheap goods or cut corners on structural shortcuts that will cost you later." ❑

Computers—what can they do for restaurants?—wondered the 100 participants who came to Orlando for the National Restaurant Association's National Conference on Computers in Foodservice earlier this year. Plenty, they learned. "This conference brought me from the 16th century into the 21st century," said one attendee, who remarked on the depth and scope of the information presented, the straightforward discussions and the ample examples and case studies that made the explanations take on operational significance.

Vendors, operators, staff professionals and consultants rubbed elbows as they reviewed front-of-the-house and back-of-the-house systems. The topics ranged from technological breakthroughs to software applications and even touched on pros and cons of automation. The discussions were candid and very hands-on, geared to cost-saving functions and practical applications. Computers were neither glamorized nor oversold. "You need manual controls—systems in place—before you computerize," all the presenters warned. And the attendees were listening—not only at the general sessions but also at the system-user-group breakouts and management workshops. As one participant remarked, "I was ready to go to contract with a vendor before this conference; now it's a whole new ball game."

COMPUTER CONFERENCE REPORT

Stepping into the 21st Century with Confidence

Points to consider before you computerize

1. Is the business stable? Computer systems are not a substitute for good management principles.

2. Computers do not always save time, especially on small jobs. Someone still has to input the data. In fact, a computer could add administrative or overhead functions.

3. Choose your applications first, not the hardware.

4. Don't automate everything all at once. Decide which areas to automate and which to leave alone. Choose areas that already have good management controls.

5. Conduct a survey of your requirements by each operational area—front and back of the house—to determine what to automate. Interview key staff, collect all forms and procedures, and observe the operation in the trenches to get a realistic picture.

6. Determine if automation will affect the rest of the operation, customer perception or staff morale.

7. Make sure you have management and employee commitment to the system before you begin, or your efforts will fail.

8. Do your homework. Choose vendors who understand your business and with whom you feel comfortable.

9. If you buy from one vendor, make sure the system can interface with other systems.

10. Don't rush. Allow enough time for the system to work. Plan time for training.

—Robert N. Grimes, president, Strategic Technology Services Corporation, Bethesda, Maryland

Artificial intelligence will drive the industry of tomorrow, predicted Bo Grimes, president, Strategic Techno ogy Services Corporation, especially in the areas of planning, scheduling, energy management and vendor, c tomer and space analysis.

Questions to ask during a sales presentation

There are important points you should review when you are evaluating a vendor's sales presentation.

1. With whom are you doing business? Are you doing business directly with the vendor, or are you doing business with a third party?

2. What is the track record of the vendor? What responsibility does the vendor take for the installation and sale? What is passed on to a third party?

3. What is the vendor's financial history? Ask to see a financial statement or an annual report prior to the sales presentation.

4. Who will be your support representative? Make sure that person comes to the sales presentation because he or she will train you. Usually these people come from the restaurant business, and they are well-versed in operational procedures as well as the vendor system.

5. If you're dealing with a third party, such as a cash-register dealer representing the point of sale vendor in your area, ask the same types of questions: How many people are trained on the vendor's product? How are they dispersed within the organization? What is their track record with the product?

6. Check references. Go to installations armed with your requirements, so that you can discuss what is important to you and ask if the user is getting that capability out of the system. Visit more than one user and at least one national account installation because they tend to be less biased.

Many restaurants still give a good reference even if they are not totally satisfied with their performance. Maybe they just don't like to admit they did not make the best decision. When you check a lot of installations, it enables you to really assess the strengths and weaknesses of the vendor in your market.

7. If you're dealing with a new vendor, weigh the risks and benefits. Let's face it—someone had to order the first Remanco, someone had to order the first Fisher Restaurant System, someone had to order the first Squirrel. Restaurateurs are probably the biggest risk-takers of all—and you shouldn't be scared by a new business. You should, however, raise the issue during the sales presentation. Point out that the situation is risky, and talk about performance and nonperformance. Put the issues that are important to you into the contract.

8. If you are concerned about service in your area, make sure the service manager is in that meeting. It's much better to look the service manager in the eye and talk about response and ask about parts and the quality of the service staff, because he or she has to work with you after the sale.

There was plenty to think and talk about at this year's computer conference.

"Many people buy a $30,000 system and use only $2,500 of it," said Bill Schwartz, president of Systems Concepts, Inc.

9. Take your key team members with you for their input and support. Let them evaluate the system.

10. Maintenance is very important. Be sure to ask if there is a maintenance contract in your area and explore the different maintenance options. Many of the vendors today are offering spare components as part of maintenance.

Ask about backup terminals and printers and something I call an "escalation procedure"—a written document that says what the next level of support is if all the systems and procedures don't work, and how long you wait before you go to that next level. If you home in on these issues in the sales presentation, you can develop a very happy and satisfactory relationship with the vendor.

We're all interested in building a long-term strategic relationship with you as customers. And honesty, integrity and sound business ethics are the stuff that long-term relationships are made of.

—David Carroll, vice president, national accounts, Postech, Inc., Toronto, Ontario, Canada

What to look for in a computer consultant

A computer consultant can give you an objective opinion about what you're trying to accomplish and the way you're going about it. He or she can set up a system, often in a specialized area, such as food cost or inventory management. I've talked to many people who have spent hundreds of hours setting up accounts payable systems, general ledger systems and payroll systems, when in reality those projects do not take more than a few hours to put in place. Doesn't it make sense to bring someone in and pay for a few hours of his or her time to get the job done more quickly?

Another good service a consultant can provide is to evaluate the software and/or hardware you're considering, or to provide support services when you run into problems or when your needs change. A consultant can also find products that you can't track down but that can work well for your business. You may spend three days out of your year looking for those products, but consultants are usually spending a full year tracking information.

Qualities to look for

The most important attribute to look for in a consultant is experience with the foodservice industry. You want to work with someone who understands your business. Some other qualities you might want to look for are enthusiasm, energy, self-motivation and the ability to be a team player—to work with you, not change you. Another desirable characteristic is the ability to listen. If a consultant is not listening to you, then there is no way that he or she is going to be able to give you advice that's going to help you.

A good consultant also needs a good sense of humor. In the foodservice business, where you're working 18 hours a day and you're dealing with broken toilets and fussy servers and customers who don't like the color of a particular chicken dinner, everyone needs a sense of humor to survive.

Social activities provided additional opportunities for idea exchanges.

What can a system really do, operators wanted to know. They got their answers from vendors and users in breakout sessions. Here, Mary Alice Byers, assistant manager of Bob Ruby's Great Steaks, talks about Postech's Squirrel System.

Where to look

There are a lot of places to look for consultants. Consultants are listed in the yellow pages. Or you can go to your local retail outlets or to your vendors. Many vendors work with different computer consultants in the foodservice business, and they can give you names of people they've worked with who did a good job for their customers.

Be sure to talk to other restaurant people. Find out who helped them.

And don't forget to look to associations. There are a number of national consulting associations that have a code of ethics their members follow and 800 numbers you can call to get lists of consultants you can work with.

You can also call the National Restaurant Association, which maintains a list of consultants that specialize in foodservice.

Before you begin

Before you hire a consultant, make sure your information is well organized. Computers demand organization in order to be effective. And if your information is unorganized, then you will be paying a consultant to shuffle papers around for you.

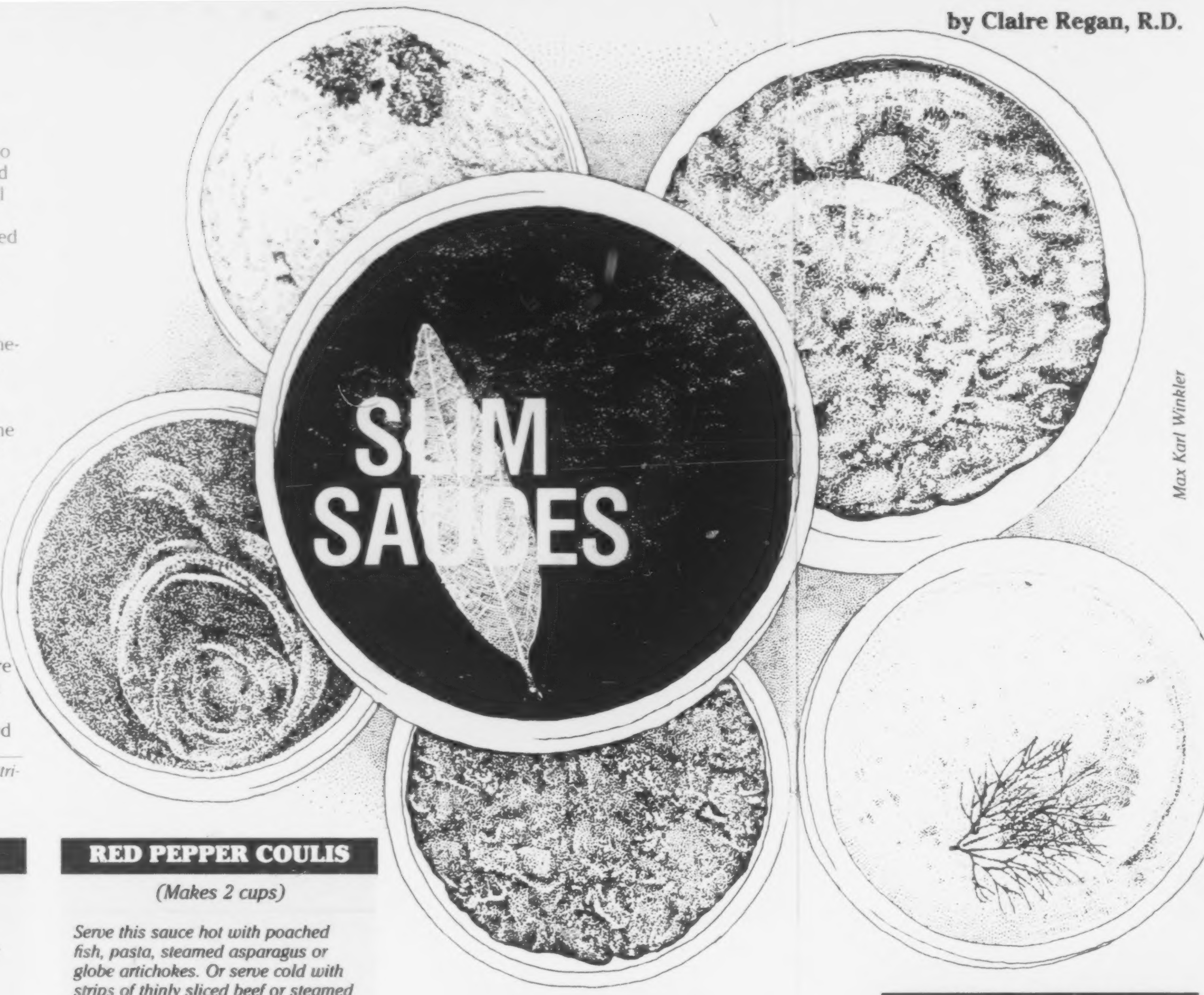
Work out a game plan ahead of time. Know what you want the consultant to do and who on your staff will work with that person. Allocate your staff's time and resources. Plan a good map for the consultant, too. Identify completion dates and costs. I recommend an hourly fee over a flat contract price, because I think you'll get a lot more for your money.

Finally, remember the consultant is there to set up a system. Keep it as simple as possible.

—William Oleksinski Jr., president, ReSTAR, Bolton, Connecticut

by Claire Regan, R.D.

SLIM SAUCES



Max Karl Winkler

In the wake of nouvelle cuisine, more and more nontraditional sauces are finding their way onto menus, and many are lighter and lower in fat than their traditional counterparts. Instead of fat-laden roux, sauces are now being thickened by reduction or the addition of pureed fruits or vegetables. For example, venison teams up with a plum zinfandel sauce, smoked filet of salmon with a sassafras sauce, tournedos of beef with an eggplant puree, and Maryland crab nuggets with a lemongrass and ginger sauce. Even old favorite dessert sauces like creme a l'Anglaise are being edged out by the perennial favorite—raspberry sauce, which is dressing up apple tarts, puff pastries and white mocha mousses. More exotic pairings are mango coulis for a charlotte russe and yellow plum sauce to color a baked meringue.

Sauces are lightening up

"There is no question that sauces are lightening up. Patrons still crave the classics, but there's been a general change over the last few years fueled by consumer awareness," says Emeril Lagasse, executive chef of Commander's Palace Restaurant in New Orleans. Lagasse is well versed in the subject, having developed nutritious selections for Commander's Palace. The restaurant's Creole Light Cuisine adds up to no more than 600 calories for a meal that includes soup or salad and an entree.

Taste was Lagasse's primary consideration when he developed Creole Light. "It has to be healthful, but taste is everything," he says. "We eliminated butter and roux from our light sauces. For thickening we rely on reduction or fortification with pureed vegetables or pureed cooked rice. For instance, I use sassafras puree in my gumbo and tend to use quite a few smoked items, which add a good flavor that people never tire of," Lagasse explains. He describes his smoked tomato sauce, served with grilled chicken, simply as pureed smoked tomatoes, fortified with garlic and herbs and reduced.

Lagasse has developed his own low-fat barbecue sauce and a creole worcestershire sauce, using creole mustard, fresh horseradish, cane sugar, molasses, garlic, onions and cloves.

Chef Mark Erickson, member of the U.S. Culinary Team and education department chairman for second-year cooking at the Culinary Institute of America (CIA) in Hyde Park, New York, has his own idea about the evolution of sauces. "We're always looking for something different to do with food. Many of the changes we're seeing in sauces are motivated not by nutrition but by creativity. We used to rely on the base sauces, but reductions and coulis provide a new avenue for creativity. They also happen to present the opportunity to eliminate some fat, increase the carbohydrates and add some texture."

Erickson was involved in the development of the menu for St. Andrew's

A pinch of history

Before the advent of refrigeration, sauces and marinades were a necessary component of a chef's repertoire. Marinades, from the French, meaning "to pickle" were used as a means of preserving meats and fish. Sauces were used to mask flavors that developed from inadequate preservation. In those days, sauces were generally spicy and thickened with coarse bread or ground almonds. It was not until the 15th century that the roux (equal parts of cooked fat and flour used to thicken sauces) was developed. The roux soon became a primary constituent of traditional sauces. When Auguste Escoffier came along in the 1800s, he became impatient with the extraneous substances produced by the protein in flour that have to be skimmed during the long slow cooking of some sauces. He predicted that a pure starch, like arrowroot, would replace flour as the thickening agent in sauces. Nonetheless, traditional roux continued to be used.

The five leading sauces, or mother sauces, as they are called, are brown, bechamel, tomato, veloute and hollandaise. They were developed by Escoffier, the father of modern French cooking, and continue to provide the base for many classical sauces. In fact, most chefs still strive to achieve Escoffier's criteria of the model sauce: smooth, light and glossy, with a well-defined taste, a result of the combined flavor of all ingredients.

But nouvelle cuisine introduced sauces prepared in new ways—often thickened by reduction or addition of pureed ingredients, designed to enhance rather than overpower foods. Thanks to this departure, chefs are now experimenting with sauces.

Claire Regan, R.D., is manager/staff nutritionist for the National Restaurant Association.

SANTE FE SAUCE

(Makes about 2 cups)

Serve hot with poached fish, eggs, grilled chicken, lean pork, tortillas or zucchini and onions.

Ingredients:

1 medium onion, chopped
1 cup corn kernels
3 cups peeled, seeded and chopped tomatoes
3 cloves garlic, minced
½ tspn. cumin seed, crushed
½ tspn. coriander seed, crushed
½ tspn. dried oregano
1 tspn. chili powder
10 drops hot-pepper sauce

Method:

In a food processor, puree the onion, corn, tomatoes and garlic until smooth. Pour into a medium saucepan and bring to a boil. Boil uncovered for 7 minutes, stirring occasionally. Add the cumin, coriander, oregano, chili powder and pepper sauce. Boil, stirring often, for 8 to 10 minutes, or until sauce has reduced in volume by half.

RED PEPPER COULIS

(Makes 2 cups)

Serve this sauce hot with poached fish, pasta, steamed asparagus or globe artichokes. Or serve cold with strips of thinly sliced beef or steamed shrimp.

Ingredients:

5 sweet red peppers, coarsely chopped
½ cup stock
2 Tbs. balsamic vinegar
2 cloves garlic, minced
2 tspns. dried basil

Method:

In a food processor, puree the peppers, stock, vinegar, garlic and basil until smooth. Pour into a medium saucepan and bring to a boil. Lower the heat slightly and cook uncovered for 10 minutes, until sauce is thick and fragrant.

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SWEET PEACH SAUCE

(Makes about 1 cup)

Serve cold as a dressing for fruit salads or as a topping for cakes, crepes or poached fruit. If you're using fresh peaches, you'll need to cook the sauce a bit to thicken it.

Ingredients:

1½ cups peeled, pitted and chopped fresh or frozen peaches (about 4)
2 tspns. apple-juice concentrate
Dash of freshly grated nutmeg

Method:

In a food processor, puree peaches, juice concentrate and nutmeg until smooth.

SAVORY PEACH SAUCE

(Makes about 1 cup)

Serve cold with cold poached seafood. Or heat gently and serve with lean pork. If you're using fresh peaches, you'll need to cook the sauce a bit to thicken it.

Ingredients:

1½ cups peeled, pitted and chopped fresh or frozen peaches (about 4)
2 tspns. honey
1½ tspns. prepared horseradish
1 tspn. raspberry vinegar

Method:

In a food processor, puree peaches, honey, horseradish and vinegar until smooth.

SAVORY THREE-ROOT SAUCE

(Makes 6 cups)

Serve hot with lean roast meats, steamed broccoli or brussels sprouts.

Ingredients:

2 large potatoes, peeled and chopped
1 celery root (about 1 lb.), peeled and chopped
3 parsnips, peeled and chopped
2 cups chicken stock

Method:

Place the potatoes in a medium saucepan and add cold water to cover. Bring to a boil and cook until tender, about 15 minutes. Drain and mash, using a food mill, electric mixer or hand-held master. (Do not use a food processor; potatoes will become gummy.)

In a second saucepan, combine celery root and parsnips. Add cold water to cover. Bring to a boil and cook until tender, about 15 minutes. Drain and puree in a food processor with the stock until smooth. Stir the purees together.

Cafe, CIA's restaurant featuring nutritious offerings. He modified the traditional chicken veloute using chicken stock, arrowroot and evaporated skim milk. This resulted in a caloric savings of about 300 calories per liter and a significant fat reduction. Erickson says he relied heavily on the traditional jus de veau lie, fortified veal stock thickened with arrowroot, which lent itself well to the St. Andrew's concept. He also points out that vegetable stews can act as low-fat substitutes for sauces, citing pheasant breast on a bed of stewed lentils as an example.

Marinades add flavor, not fat

Marinades are another means of adding flavor to foods without elevating the fat content. Tom Ney, director of the Rodale Food Center at the Rodale Press, Inc., in Emmaus, Pennsylvania, generally tries to avoid sauces. When featuring grilled flank steak in the employee cafeteria, he marinates it in "whatever is around" to add flavor and to tenderize. "For a reception we used a spicy Asian marinade (sesame oil, low-sodium soy sauce, garlic and hot pepper) on shrimp that was so good that no one even touched the dipping sauce we served with the shrimp," Ney boasts.

In the past few years Ney has noticed more coulis-based and reduced sauces and also a trend to serve food without any sauce. "Sauces originated as a vehicle to mask the flaws in food. With more attention to perfect cooking, sauces aren't absoutely necessary. We do not grill to a bone-dry state anymore, so even grilled foods are juicy. I've also noticed more edible garnishes on plates," Ney notes.

He offers advice to those attempting to lighten up their sauces. "It is tough to find a low-fat substitute for creamy cold sauces. I puree low-fat cottage cheese in a blender, not a food processor, and adjust the consistency with skim milk. It can be thinned and used as a dressing or kept tight for dips," Ney says. He also suggests mixing light mayonnaise with low-fat, plain yogurt for use in sandwich fillings. To prevent separation, he recommends draining the whey from the yogurt overnight by using ~~a~~ filter or fine mesh cloth. ❑

Low-calorie options can help your customers

When you offer low-calorie foods to your customers, you are doing them a favor. The average weight of Americans is creeping up, and so are the corresponding complications.

Overnutrition is often a curse of affluent societies, and the United States has not escaped. Although the figures vary somewhat, about 25 percent of adult Americans are obese, weighing 20 percent or more above their optimum weight for height, and even more are considered overweight (less than 20 percent above optimum weight). And we are not getting thinner. Despite a slight decline in the rate of obesity over the past 25 years, the average weight for adult males increased by about six pounds between 1960 and 1980, while the average height increased about an inch. Women, on the average, weigh about 4 pounds more but are less than an inch taller.

Why are the scales tipping when nearly 45 percent of the population considers itself overweight and about a third is dieting? Often the wrong people are dieting—those of average weight who wish to be thinner. This explains ~~why many of y~~our requests for lower calorie foods may not be coming from patrons who are obviously overweight.

The reasons why

The long-held theory of weight gain is simple: Overweight people eat more food, or calories, than needed. Although scientists generally continue to acknowledge that obesity is related to eating habits, they also are recognizing a good deal of individual metabolic variation that may be genetically determined. Childhood behavior, infancy overfeeding and social patterns, such as increased television viewing, also play a part in the increase of obesity.

The end result is the same: increased health risks. The "killer diseases"—heart disease, hypertension, stroke and cancer—are all associated with obesity, as are adult-onset diabetes and shortened life-spans. Obesity also complicates pregnancy, childbirth and surgery.

The Health Objectives for the Nation, developed by the U.S. Department of Health and Human Services, include a goal to significantly reduce the incidence of obesity. Similar objectives are being developed by states and counties. Recognizing that 30 percent of its population is overweight, New Mexico officials have launched a statewide weight-reduction campaign. The goal of "Eat Right New Mexico" is to have 90 percent of the population within 10 pounds of desirable weight by 1996. The 10-year campaign will focus on fitness, smoking cessation and weight control.

What you can do

Obviously it is not the role of the restaurateur to tell patrons to lose weight. But you can make low-calorie options available.

☐ Fat is the most concentrated source of calories in food. Therefore, ingredients like cream, oil, butter, mayonnaise and fatty meats should be decreased or eliminated in reduced-calorie items. Lean meats, skinless poultry, fish, pasta and vegetables are good low-fat ingredients. Use cooking methods that require no additional fat and try low-fat garnishes, like vegetable salsa and slim sauces.

☐ For weight-watchers, consider offering smaller or half-portions of your regular menu items. Try half portions on desserts, too. Some patrons may be satisfied with a few bites and are more likely to order dessert if they know they will not be tempted to eat too many calories.

☐ Meatless entrees are gaining popularity. Try low-fat ones, like stir-fried vegetables with rice or grilled vegetable salad with couscous.

☐ Explore dishes from carbohydrate-rich, low-fat cuisines, such as Mediterranean foods from Portugal to Italy. They feature whole grains, green vegetables, garlic, onions, olive oil, fish and wine.

☐ If you've developed some items for weight-conscious patrons, try marketing them at local health clubs.

☐ Look for a community-based weight-reduction program like "Eat Right New Mexico" in your area and develop menu items that comply with the program.

#92

Insights and inanities

Many people place considerable stock in the pronouncements of persons in authority. Presumably, what officials say or write carries a great deal of weight with those who are affected by such statements. Those officials, however, being human like the rest of us, can be insightful or incisive but they also can, from time to time, contract "foot-in-mouth" disease just as "normal" people do.

The following is a collection of remarks I have heard government leaders, corporate officers, educators and various other people make. I offer them to you for your contemplation or amusement, as the case may be.

1. "If someone is going to stab me in the back, I want to be there."

2. "This program will create thousands of jobs for hundreds of people."

3. "You know you're getting old when the phone rings on Friday night, and you hope it's not for you."

4. "If we don't all get behind this program, it will get ahead of us."

5. "The person who says he never had a chance probably never took a chance."

6. "You know you've reached maturity when you raise your eyebrows instead of your voice."

7. "If we have intelligent people on our side, which we do, and they have intelligent people on their side, which they do, then how do we get into such dumb situations?"

8. "I became an economist because they told me I didn't have the personality to become an actuary."

9. "We fell short of our profit projections because we didn't generate the profit we projected in the first place."

10. "The time has come to roll back the advances that were made several years ago."

11. "She's never seen a mirror she didn't like."

12. "A decrease in the rate of increase is not a decrease. It's an increase, although many people regard it as a decrease."

13. "He has correctly predicted four out of the past three elections."

14. "The consultant's credo is 'To err is human but to get paid for it is divine.' "

15. "In politics you have to learn to respect and revere hypocrisy."

16. "I've often been asked how many people work for us. I estimate about half of them."

17. "I learned early in life that I had to know all the rules. That way, I could know which ones to break."

18. "He thinks he's made a good deal when he feels he's outcheated the other guy."

19. "On my way here, a teenager asked me if he had time to visit the men's room before the plane left. I told him I didn't know, since I had never timed him."

20. "Good judgment comes from experience. Experience comes from poor judgment."

21. "You know you are getting old when you think more about your memories than you do about your dreams."

22. "When I went off to school, I wanted to be a mortician. I wanted to follow the medical profession, so to speak."

23. "I don't claim to be clairvoyant, but, on the other hand, I think I can see what's ahead of us."

24. "Understanding people is the core of a manager's function."

25. "That committee is a group of the unprepared, designated by the uninformed to do the unwanted."

26. "We realize that we have to get back to basics. We can do that only by adopting the most modern management techniques and technology."

27. "Many companies don't recognize the point when they have to temporarily stop expanding and start improving."

28. "My opponent's abilities do not measure up to his ambition."

29. "He has no friends—only accomplices."

30. "Businessmen usually don't make good politicians. They're too rational and demanding."

31. "We have assembled a panel of four renowned economists. Now we'll really witness a division of the prophets."

32. "I have concluded that there are a few differences between *man*agement and *woman*agement. I have also concluded that I don't know what they are."

33. "People who think by the inch and write by the mile ought to be treated by the foot."

34. "If you are not part of the solution, then you are often part of the problem."

35. "It's always easy to criticize when you don't have the responsibility for the action that's been taken."

36. "Never forget that a policy is not a regulation. A policy is a general standard on which to base decisions. A regulation is an absolute."

37. "In many organizations employees endure life. We try to have employees enjoy life."

38. "He has a face that was made for radio and a demeanor that's appropriate for a circus."

39. "Your facial expression is the signature of your experience."

40. "Experience is a hard teacher. It gives you the test first. Then you learn the lesson."

41. "When someone says, 'That's a good question,' you can be sure it's a lot better than the answer you're going to get."

42. "It's not so much that hard times are coming as it is that soft times are going."

43. "My opponent is partially right in his tenets, but he is totally wrong in his conclusion."

44. "Always put your best corporate jockey on your fastest corporate horse."

45. "Will Rogers once said, 'I never met a *man* I didn't *like*.' Updating Will's statement to modern times, I can truthfully say I never met a *person* I didn't *respect*."

46. "When someone says it's not the money but the principle that's important, you can be sure it's the money that's important."

47. "Sometimes the best decision is to do nothing different, but you still have to go through the decision-making process."

48. "The best answer to some questions is another question."

49. "We hear a lot about rights. Everyone has rights in every situation. How come we don't hear much about responsibilities?"

50. "It's never too late to start improving. It's also never too early."

Fisher's Law #92. ***When it comes to insight, it is as valuable as eyesight. As for inanitites, don't think with your mouth.***

A fine future for food bars

The question on many operators' minds is whether food bars are right for their establishments. Some restaurateurs claim that food bars attract customers and increase sales; others argue that costs outweigh the benefits. A new Gallup survey commissioned by the National Restaurant Association sheds some needed light on the topic. The survey, conducted in April 1988, consisted of telephone interviews with a nationally representative sample of U.S. consumers.

Originally implemented as a labor-saving device, self-serve food bars have left behind the modest days when they featured iceberg lettuce, a few sliced vegetables, croutons and dressings. Today super food bars offer several varieties of lettuce, pasta salads, fruit salads, hot entrees, soups and even ethnic foods. And some operators have even found it necessary to add distinctive items of their own to ensure competitiveness.

The proliferation of self-serve salad and food bars has reached the point where a majority of consumers purchase from them at least once a month. According to the National Restaurant Association Gallup survey, 63 percent of the respondents who had visited a restaurant in the 30 days prior to the April survey indicated that they purchased food from a salad or self-service food bar during that time period. In addition, more than half of those who purchased food from a food bar claimed they were using them more frequently today than several years ago.

Most-frequented food bars

Not surprisingly, cafeterias or buffet-style restaurants have the most-frequently-used food bars. Nearly 6 in 10 consumers who visited a cafeteria/buffet-style restaurant at least once in that 30-day period purchased items from a food bar. Tableservice restaurants are also likely sites for food bar purchases. Half of all persons frequenting these establishments made use of a salad or food bar. A slightly greater percentage use food bars at tableservice operations with a per-person check under $10 than at those where the check is $10 or more. In contrast, self-service food bars are less likely to be patronized at fast food operations. Only four in 10 fast food customers bought from a salad or food bar during the 30-day period. Shoppers at grocery or convenience stores show the lowest incidence of self-serve food bar use.

Who uses food bars?

At restaurants, the use of salad and food bars appears to be related to the education, income and age of the consumer. Respondents with less than a high school education, those earning less than $15,000 per year and those 65 years and older were the least likely to frequent self-service food bars.

Among consumers who purchased food away from home in the 30 days prior to the survey, nearly two-thirds of those with high school or college diplomas purchased from a salad or self-serve food bar, compared with only 40 percent of those who had not finished high school. And although 65 percent of the respondents earning $30,000 or more per year purchased from a food bar, only 45 percent of those with incomes under $15,000 per year used such restaurant offerings.

The lower level of food bar usage by these demographic groups cuts across all restaurant types: tableservice, fast food and cafeteria. At cafeterias, from 22 to 24 percent of consumers age 18 to 64 purchased food from salad or self-service food bars, compared with 13 percent of individuals 65 years old and older. Only at grocery or convenience stores was there no discernible difference in food bar usage by education or income.

Promoting self-serve offerings

According to the association's study, users of food bars appear very satisfied. The majority of survey respondents rated a list of salad and self-service food bar attributes as good or excellent. Nearly 80 percent positively assessed the variety of choices available, the freshness of the food, the quality and tastiness of the food and the cleanliness of the food bar area. More than seven in 10 said they believed salad and food bars were a good value for the price. No attribute was rated poor by more than 4 percent of the respondents except for the size of plates or containers—7 percent deemed this inadequate.

The satisfaction registered by consumers in regard to food bars indicates that they can be used effectively to attract customers. Nearly 60 percent of those surveyed wished more tableservice restaurants had salad or food bars; and more important, 61 percent claimed that they would try a restaurant they had never been to if they heard it had

Percent using salad or self-serve food bars by establishment type, 1988*

Self-serve food bars were most likely to have been patronized in cafeteria or buffet-style restaurants

All restaurants	63%
Cafeteria/buffet style restaurant	59
Tableservice restaurant where the per-person check is under $10	54
Tableservice restaurant where the per-person check is $10 or more	49
Fast food restaurant	40
Grocery and/or convenience store	28

**Of those who patronize establishment type*

Source: National Restaurant Association Gallup Survey, 1988

Attitudes toward salad and food bars, 1988*

Lesser-educated consumers are more likely than others to try restaurants based upon their having a good salad or food bar

	Percent who agree strongly		
	Using salad or food bars more frequently than in past	**Wish table-service restaurants had salad or food bars**	**Would try restaurant never been to if heard it has good salad or food bar**
Total	**38%**	**42%**	**44%**
Sex			
Ma!e	34	38	38
Female	43	46	50
Education			
College	29	30	30
High School	40	43	48
Less than High School	45	57	53
Annual Income			
$30,000 or more	39	39	42
$20,000 to $29,999	32	45	46
$15,000 to $19,999	40	40	41
Less than $15,000	39	46	49

**Of those who purchase food from a salad bar or self-serve food bar*

Source: National Restaurant Association Gallup Survey, 1988

a good salad or food bar. With such a relatively large percentage of consumers willing to patronize a restaurant because of its salad or food bar, some operators might find it advantageous to use them as traffic builders. By promoting a high-quality food bar, restaurants could attract new faces into their establishments.

Creating a food bar

Installing a salad or food bar isn't enough. Consumers are looking for a good product. A salad or food bar that stands out from the crowd is one of the keys to increased customer counts. Although the association's Gallup survey results show that consumers are generally satisfied with food bars, there is room for improvement. Only one attribute, variety of choices, was rated excellent by at least one-quarter of those polled. Deciding what items to include depends, of course, on the purpose of the bar and the meal occasion it is serving. A food bar oriented to side dishes rather than main meals would necessitate salad offerings and perhaps a few appetizers, while a food bar that takes the place of a lunch or dinner order may require hot entrees and side dishes. Some operators offer an array of items from salads to soups to sandwiches while others opt for theme-oriented spreads, such as Mexican buffets. Individual restaurateurs must decide what approach is best for their establishment.

According to the survey, the vast majority of consumers are likely to eat salad or fruit from a food bar. More than seven in 10 claimed they would eat desserts, appetizers, hot lunch/dinner entrees and potatoes with toppings. Men were slightly more likely than women to eat hot breakfast and sandwich items, by a margin of 68 to 61 percent and 57 to 51 percent, respectively. Ethnic items, however, appealed to only half of those surveyed, suggesting that they either have more limited appeal or are not yet fully accepted as food bar offerings. Older consumers were especially unenthusiastic about Mexican and Asian items.

In addition to offering an appealing salad or food bar, operators must promote it. Otherwise, the food bar could fail to bring in new patrons. Less than 40 percent of those polled in the survey check to see if a restaurant has a salad or food bar before going there to eat. Operators need to tell consumers about their food bars. Direct mailings that emphasize the salad or food bar, or radio spots highlighting the variety and quality of food bar items, are two such methods.

Target market

Who are the best targets for a promotional campaign featuring salad or food bars? Interestingly, they are the consumers least likely to have purchased from a food or salad bar. Among those polled, individuals with low incomes and without high school diplomas were the most likely to try a restaurant if they heard it had a good food bar. Whereas 30 percent of college-educated consumers agreed strongly that they would visit a restaurant based on a food bar recommendation, 53 percent of those with less than a high school diploma made the same claim. Similarly, although nearly 50 percent of those with incomes under $15,000 per year were strongly influenced by food bar recommendations, 42 percent of individuals with high incomes were strongly affected. Females also appear more likely to respond to the lure of a salad or food bar. Fifty percent of females agreed strongly that they would try a restaurant based upon its salad or food bar, compared with 38 percent of males. The greater likelihood that these consumers will try a restaurant based upon its having a good salad or food bar indicates their openness to promotional activities.

Furthermore, these groups of consumers tend to rate salad or self-serve food bars more highly than do other restaurant patrons. Nearly twice as many consumers without a high school diploma grade food bars excellent for quality of food, freshness of food, price-value and tastiness of food, compared to college graduates. Similarly, females were generally more likely than males to rate salad or food bars as excellent.

In sum

The popularity of salad and self-serve food bars among consumers is undisputed. Even though many restaurants have food bars, six in 10 consumers wish they were more widely available at tableservice restaurants. In fact, the survey suggests that word of a good food bar will bring in new customers.

—Laurence Greenberg

Food contractors are wooing—and winning—the institutional market

Food contractors are making inroads into the institutional market, and their steady sales are keeping pace with overall industry growth.

Food contractors are wooing—and winning—a larger share of the institutional foodservice market. In 1978 food contractors held 27.9 percent of all institutional foodservice[1] sales. By 1986 their share of the market had grown to 30.3 percent.

According to Malcolm Knapp, president of Malcolm M. Knapp, Inc., food contractors are capitalizing on their specialized expertise and economies of scale. Economies of scale provide a business a competitive advantage because as it grows in size, its unit production and operation costs decrease. With superior buying power, food contractors can often supply more varied and extensive foodservice than institutions operating on their own—often at a lower price.

Moreover, the competitive bidding process forces contractors to continually upgrade foodservice operations, resulting in higher quality, cost-effective foodservice for institutions.

Airline-market: strongest growth

Among all markets, in-transit (airlines) foodservice has shown the strongest growth for food contractors. In 1986 food and drink sales for food contractors at airlines rose 11.5 percent to top $798 million. Real growth was up a very strong 10.6 percent. This strong growth trend is expected to continue through 1988 with sales increases projected at 8.6 percent for 1987 and 9.1 percent for 1988.

Contractor share of institutional foodservice sale by sector

Food contractors are winning a greater share of the institutional market

	Food contractor share of total foodservice sales	
	1978	**1986**
Employee foodservice	62.3%	65.8%
Educational foodservice	27.3	31.1
Transportation foodservice	45.2	45.2
Recreational foodservice	27.2	27.1
Healthcare foodservice	8.4	10.9

Source: National Restaurant Association

The gains in food contractor sales at airlines are due to both increased airline traffic and increased market penetration. According to the Air Transport Association, annual airline passenger traffic has jetted from 294 million in 1982 to 447 million in 1987. From 1978 to 1986, food contractors' share of all airline foodservice sales rose from 51.9 percent to 53.3 percent. Food contractors' proportion of total transportation foodservice sales[2] was 45.2 percent in 1986.

The advent of airline deregulation helps to explain the increases in food contractor sales at the air carriers. Deregulation forced the airline companies to price fares more competitively. According to the Air Transport Association, in 1978, the year of deregulation, the average airline passenger paid $8.29 per mile of flight. Adjusting for inflation, in 1987 the typical passenger paid a much lower $6.34 per mile of air travel. Airlines are also offering more discount fares.

With less expensive fares, the airlines have had to control costs in order to maintain profit margins. Consequently, food contractors that can provide foodservice more cost-effectively have benefited.

Making inroads in employee foodservice

Food contractors have made their greatest inroads in the employee foodservice market.[3] In 1986 food contractors held 65.8 percent of all employee foodservice sales—up from 62.3 percent in 1978.

Within this segment, the biggest gains have come from serving commercial and office buildings. Food contractor sales at commercial and office buildings topped $981 million in 1986, a gain of 9.7 percent over 1985's level. Real sales showed an improvement of 5.7 percent. This market should continue its strong growth pattern, with food contractor sales projected to advance 8.5 percent in 1987 and 9.0 percent in 1988.

The strong growth in foodservice sales at commercial and office buildings has been fueled by the transition from an industrial to a service economy. This transition has resulted in an increase in the number of professional and managerial workers and a decrease in the number of blue-collar workers. According to the U.S. Bureau of Labor Statistics, from 1983 to 1987, professional and managerial employment rose 17.6 percent to 27.7 million.

The percent of operators, fabricators and laborers in the U.S. labor force, on the other hand, declined from 16.6 percent in 1982 to 15.6 percent in 1987. As a result, food contractor sales at industrial and manufacturing plants have suffered sluggish growth in recent years. In 1986 food contractor sales at these organizations inched up only 3.8 percent; in real terms, sales actually declined 0.2 percent. The recent surge in U.S. exports after the fall in the dollar is expected to boost industrial employment. Thus, food contractors could see improved sales for this market.

Healthcare market offers potential

Recently food contractors have turned their attention to a market that remained relatively untapped: healthcare foodservice.[4] In 1986 food contractors held only 10.9 percent of total healthcare foodservice sales—up from the 8.4 percent re-

Foodservice sales by food contractors (000)

Sales are growing steadily in this sector. In 1986 foodservice sales by food contractors reached $10.1 billion. This represented real growth of 2.8 percent, a rate just below the 3.0 percent for the industry overall.

	Total sales (000)	Percent growth
1978	$5,549,018	11.2%
1979	6,241,695	12.5
1980	6,817,509	9.2
1981	7,343,516	7.7
1982	7,708,246	5.0
1983	8,241,656	6.9
1984	8,906,729	8.1
1985	9,460,211	6.2
1986	10,094,798	6.7
1987*	10,773,869	6.7
1988*	11,549,553	7.2

*Projected

Source: National Restaurant Association

corded in 1978.

The development of the DRG (Diagnosis Related Group), offers a possible explanation for why food contractors have made headway in the healthcare market. In 1983 Congress implemented DRG's, a payment system for Medicare patients that fixed charges in advance for different ailments, regardless of procedures performed or length of hospital stay. DRG's have forced healthcare administrators to trim costs and look for alternate sources of revenue. One area that has received increased scrutiny is foodservice.

Healthcare foodservice operators are exploring new avenues, such as outside catering, nutrition-education programs and community weight-control programs—areas that are often better served by food contractors than healthcare institutions. However, Knapp points out that food contractors are unlikely to dominate healthcare foodservice in the same way they do employee foodservice, because the healthcare market consists of a plethora of small hospitals and nursing homes. These organizations usually do not have a high enough patient count to justify food contractors bidding to run their foodservice operations.

An opportunity in education

Among all institutional segments, food contractors have seen the greatest market share improvement in educational foodservice.[5] In 1978 food contractors accounted for 27.3 percent of all educational foodservice sales. By 1986 this number had jumped to 31.1 percent. Sales have also shown stable growth; sales in 1986 reached $2.8 billion, up 7.4 percent over 1985's level. (The educational foodservice market as a whole saw only a 5.4 percent sales advance in 1986.) The above-average growth is projected to continue in 1987 and 1988. Within this segment, food contractors have made the strongest sales gains in the college and university market. Contractor food and drink sales at college and universities advanced 8.3 percent in 1986 to surpass $1.8 billion. In fact, much of the increase in food contractor sales over the past decade has been fueled by gains in student enrollment. According to the U.S. Census Bureau, college enrollment in the United States swelled from 11.1 million in 1978 to 12.4 million in 1986.

Food contractors' share of the college and university foodservice market increased from 32.6 percent in 1978 to 37.1 percent in 1986. Student demands for improved foodservice have contributed to the increase in food-contractor penetration of the market.

Food contractors have also upped their percentage of primary and secondary school foodservice sales—from 21.4 percent in 1978 to 23.4 percent in 1986. However, food contractors have not pursued this market as actively as they have the college and university foodservice market for two main reasons: (1) Most primary and secondary schools offer only one meal per day. (2) The primary and secondary school market consists of many small schools. (According to the U.S. Department of Education, more than half of all public and elementary schools have less than 400 students.) These schools do not have a high enough student population to warrant much attention from food contractors.

Recreational foodservice

Since 1978 food contractors have seen little change in their share of recreational foodservice sales[6], which equaled 27.1 percent in 1986. That year food contractors accounted for a larger share of food and drink sales at recreation and sports centers (56.3 percent). Nevertheless, this percentage declined slightly from the 57.8 recorded in 1978. The drop is due primarily to the continued proliferation of theme parks that operate their own foodservice.

Despite this decline in market share, food contractors have enjoyed solid sales growth in the recreational segment. Sales advanced 6.9 percent in 1986, surpassing the 5.6 growth rate reported for all recreational foodservice. Recreational food contractor sales are expected to continue their healthy pace of growth as sporting event attendance is expected to climb. The National Restaurant Association forecasts food contractor sales at recreation and sports centers to reach $1.6 billion by the end of 1988.

In sum

With advantages in economies of scale and specialized foodservice expertise, food contractors will play an increasingly important role in the institutional foodservice market.

—Sebastian O'Kelly

Footnotes

1. Includes the business, educational, government and institutional organizations that operate or contract their own foodservice. Food is provided as an auxiliary service to complement other activities. The military is not included.
2. Includes foodservice at airlines, railroads and passenger/cargo liners.
3. Includes foodservice at manufacturing and industrial plants, commercial and office buildings, seagoing ships and inland waterway vessels.
4. Includes foodservice at nursing homes, voluntary and proprietary hospitals, state and local short-term hospitals, long-term hospitals and federal hospitals.
5. Includes foodservice at public and private colleges and universities and primary and secondary schools.
6. Includes foodservice at recreation and sports centers, drive-in movies, bowling lanes, clubs, and sporting and recreation camps.

Restaurant beverage consumption update

What were the top beverage choices at restaurants in 1987? How are consumers' beverage choices changing? A new National Restaurant Association research study examines these issues and provides some up-to-date insights on the beverage preferences of restaurant patrons.

Away-from-home* beverage choices, 1987

Soft drinks are the top choice at all types of restaurants

	By individuals	By volume
Soft drinks	66%	38%
Coffee	29	21
Tea	21	13
Milk	11	3
Fruit juices	9	2
Bottled waters	1	**
Other nonalcoholic beverages	18	5
Liquor	11	2
Wine	7	2
Malt	13	15

*"Away from home" includes fast food restaurants, other restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, schools, picnics/camping or another person's home

**Less than 1 percent

Source: National Restaurant Association, NFO Share of Intake Panel

Last year the National Restaurant Association commissioned a special study to investigate consumer beverage choices at restaurants in 1986 and to examine changes since the beginning of the decade (see "Who Drinks What, Where," ***Restaurants USA,*** August 1987). Recently, the association commissioned an update to this original study to explore restaurant beverage consumption in 1987.

The data is obtained from NFO Research, Inc.'s Share of Intake Panel (SIP) and shows who is drinking which beverages, where they are consumed and how much is being consumed.

Beverages included in the study were soft drinks, coffee, tea, milk, fruit juices, bottled waters, other nonalcoholic beverages,* liquor, wine and beer.

An analysis of the 1987 SIP away-from-home** information indicates that soft drinks were again the most popular beverages, alcohol consumption remained essentially at 1986's level and coffee consumption edged downward.

The analysis of away-from-home beverage consumption is based on two different measures: (1) the total volume or ounces consumed and (2) the number of drinkers consuming a beverage. The number of drinkers, referred to as *penetration*, is a measure of product appeal whereas the *volume* shows the total consumption that a particular beverage attracts. Since both of these measures can be examined on a demographic basis, such as age and sex, the SIP data provide information on who is consuming each beverage.

Alcoholic beverages

An examination of total alcoholic beverage consumption at restaurants other than fast food between 1986 and 1987 shows that the volume consumed remained essentially stable. If consumption in 1980 is used as the base year and set equal to 100, the volume of alcoholic beverage consumption in 1987 was down approximately 17 percent, but still remained above 1984's low.

Nonetheless, consumers altered their liquor and beer consumption patterns at tableservice restaurants between 1986 and 1987. In fact, 1987 marked the highest level of liquor consumption at tableservice restaurants on a volume basis since 1980. Liquor exhibited a volume increase over 1986's level but beer posted a volume decline. Wine consumption (which includes wine coolers) was essentially unchanged from 1986's level.

When alcoholic beverage consumption at tableservice restaurants is examined by sex, it appears that females are drinking more. Recent association analysis of SIP data indicated that consumption of beer by women was growing. (See "Beer Consumption: Not for Men Only," ***Restaurants USA,*** November 1987.) An analysis of the 1987 SIP data indicates that this trend not only is continuing for beer but also appears to be occurring with liquor and wine.

In 1987 consumption of liquor by women on a volume basis at tableservice restaurants was at its highest level since 1980. Wine consumption by women edged upwards in 1987 and equaled 1980's level.

Soft drinks dominate

An analysis of the 1987 SIP information indicates that soft drinks remain the undisputed away-from-home beverage leader. In 1987 more than twice as many beverage consumers ordered soft drinks as coffee, the second most popular beverage. About 21 percent ordered tea, 11 percent milk, 9 percent fruit juices and 1 percent bottled waters. (Note: These figures add up to more than 100 percent because one person could order more than a single beverage.)

In terms of volume for 1987, soft drinks captured a 38 percent share, followed by 21 percent for coffee and 13 percent for tea. Despite dramatic growth for bottled waters since 1980, the total away-from-home volume consumption in 1987 still represented less than a 1 percent share of total away-from-home beverage consumption.

In 1987 consumption of nonalcoholic beverages remained fairly stable compared to 1986, with coffee as the only exception.

Who was responsible for the demand for soft drinks in 1987? SIP data indicate that consumers in their

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*Includes chocolate/cocoa, milkshakes/malts, fruit drinks and powdered soft drinks.

**"Away-from-home" refers to fast food restaurants, other types of restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, school, picnics, camping or another person's home.

Beverage consumption at fast food restaurants, 1987

Soft drinks were by far the leading seller at fast food restaurants

	By individuals	**By volume**
Soft drinks	71%	59%
Coffee	19	18
Tea	11	7
Milk	7	3
Fruit juices	6	2
Other nonalcoholic beverages	15	8
Alcoholic beverages	3	3

Source: National Restaurant Association, NFO Share of Intake Panel

Beverage consumption at tableservice restaurants, 1987

Coffee and tea were more popular beverages at tableservice restaurants than at fast food establishments

Nonalcoholic beverages	**By individuals**	**By volume**
Soft drinks	50%	30%
Coffee	32	29
Tea	25	20
Milk	9	4
Fruit juices	8	2
Bottled waters	1	*
Other	11	3
Alcoholic beverages		
Liquor	10	2
Wine	8	3
Malt	10	7

**Less than 1 percent*

Source: National Restaurant Association, NFO Share of Intake Panel

twenties and thirties accounted for half of the consumption on a volume basis. Teenagers accounted for an additional 15 percent. Of particular note is that children age 12 and younger claimed almost 13 percent of soft drink consumption in 1987—an amount larger than that consumed by individuals age 50 and older (11 percent).

While the popularity of soft drinks continues to grow in the 1980s, away-from-home coffee consumption is decreasing. Between 1980 and 1987, the volume of away-from-home coffee consumption declined by approximately 19 percent as did the number of coffee orders.

Tea, on the other hand, continues to enjoy prominence. The volume of away-from-home tea consumption grew by almost 17 percent between 1980 and 1987.

Consumption by restaurant type

In 1987 tableservice restaurants garnered 45 percent of the volume for away-from-home beverage consumption. Fast food restaurants claimed 37 percent, and bars and clubs accounted for 18 percent.

☐ **Fast food.** Seventy-one percent of consumers who ordered beverages at fast food restaurants in 1987 ordered soft drinks. Coffee placed second in orders, at 19 percent. Examining consumption by volume in 1987 shows that soft drinks dominated fast food beverage choices with a 59 percent share, followed by coffee with an 18 percent share.

☐ **Tableservice restaurants.** In terms of penetration, soft drinks dominated beverage orders at tableservice restaurants for 1987 (50 percent). Coffee and tea, however, were more popular beverages at tableservice establishments than at fast food restaurants. Penetration rates were 32 percent and 25 percent, respectively, followed by milk at 9 percent.

—Hudson Riehle

Soft drink specifics

Who drinks which type of soft drink at restaurants? A recent National Restaurant Association research study, *Beverages Preferences: Consumer Attitude and Behavior Study*, offers some insights.

Women are somewhat less likely than men to order regular soft drinks and are more likely to order diet soft drinks. Sixty-two percent of males indicate that they are likely to order a regular cola in a restaurant, compared to 46 percent of females. However, 42 percent of females are likely to order a diet cola, compared to 31 percent of males.

Demand for caffeine-free cola is nearly as strong as for diet cola. Thirty-seven percent of consumers say they would be likely to order diet cola in a restaurant, and 34 percent say they would be likely to order caffeine-free cola. Thirteen percent indicated that they would never order any type of soft drink when dining out.

Among those consumers who drink soft drinks away from home, a large proportion agree that restaurants should offer both diet soft drinks and decaffeinated soft drinks. In addition, almost three out of four individuals who consume soft drinks away from home claim to be loyal to specific brands and request them when eating out.

What is SIP?

The purpose of NFO Research, Inc.'s Share of Intake Panel (SIP) is to monitor the consumption of all beverages both at home and away from home. Every week, approximately 210 households are selected from the NFO Research Inc. panel base of 400,000. These households, which are balanced to match the latest Bureau of the Census information, are mailed a diary to record information on the entire household's beverage consumption over a two-week period.

Applicable data collected through the use of the SIP diary includes the sex, age and income of the beverage consumer, and, most important, total volume in ounces of the beverage consumed.

Panelists are taught how to accurately measure the volume of their beverage consumption, especially when away from home.

Comparing SIP information from year to year yields insights into the changing beverage preferences of away-from-home consumers.

A review of industry health insurance plans

According to a new study by the National Restaurant Association, the characteristics of health insurance coverage provided by restaurant companies are similar in many ways, although small companies are much less likely than larger ones to provide a health insurance plan.

The association's *Survey of Health Insurance Coverage in the Restaurant Industry, 1987* provides information on the availability of employer-provided health-benefits coverage for industry employees, enrollment in health insurance plans and characteristics of plans, including eligibility and hours-worked requirements, deductibles, benefits paid and premiums.

Sales volume key

According to survey results, small restaurant companies, with sales volumes under $500,000, are unlikely to provide health insurance. Fifty-two percent of these firms provide no coverage; 27 percent provide coverage to both hourly and salaried employees.

As the accompanying table demonstrates, the likelihood of providing coverage for both hourly and salaried employees rises from 27 percent to 90 percent as sales volume increases. Few respondents with sales of $1 million or more provide no coverage.

The likelihood of providing health plans for salaried employees differs little between tableservice and fast food restaurants. For hourly employees, on the other hand, tableservice restaurants are somewhat more likely than fast food companies to provide coverage.

Many characteristics similar

For survey respondents providing health insurance coverage, many plan characteristics are similar regardless of company size or type of employee covered. Among the most prevalent features are a 90-day median waiting period prior to coverage, maximum individual benefit of $1 million, a median of 80 percent of benefits paid by the plan after the deductible is met and dependent coverage in more than 90 percent of cases. Median premium paid per employee, however, decreases as company sales size increases.

—Susan Mills

Percent providing health insurance coverage for hourly and salaried employees by type of plan and company sales volume, 1987

The likelihood of providing health insurance coverage for all employees increases with the company sales volume

Type of plan coverage	Under $500,000	$500,000-$999,999	$1 million-$4.9 million	$5 million-$9.9 million	$10 million and over
Hourly employees only	6%	8%	3%	3%	0%
Salaried employees only	15	16	21	20	10
Hourly and salaried employees	27	51	72	77	90
None	52	25	4	0	0

Source: *National Restaurant Association Gallup Survey, 1988*

Survey results help determine cost of mandated health insurance

Survey results have been used to help determine how passage of mandated health-benefits legislation might affect restaurant companies of various sizes. The Minimum Health Benefits for All Workers Act would require all employers to provide comprehensive health benefits to all employees who work 17½ hours per week, after a waiting period of 30 days. In addition, employers would be required to pay at least 80 percent of the premium for most workers and 100 percent of the premium for employees earning less than $4.19 per hour.

For restaurants with sales under $500,000, the estimated cost of the proposed legislation would average $18,500. This amounts to at least 4 percent of gross sales.

For companies with sales between $500,000 and $1,000,000, mandated insurance would average $31,000, or at least 3 percent of gross sales.

Companies in the $1,000,000 to $10 million range would see their health insurance costs quadruple.

Children believe what their parents tell them.

"You disgust me!"

"You're pathetic. You can't do anything right!"

"You can't be my kid."

"Hey stupid! Don't you know how to listen."

"I'm sick of looking at your face!"

"I wish you were never born!"

Ad

Words hit as hard as a fist.
Next time, stop and listen to what you're saying.
You might not believe your ears.

Take time out. Don't take it out on your kid.

Characteristics of health insurance plans for hourly employees by company sales volume, 1987

	Company sales volume				
	Under $500,000	**$500,000-$999,999**	**$1 million-$4.9 million**	**$5 million-$9.9 million**	**$10 million and over**
Percent of respondents providing coverage	32%	58%	74%	80%	90%
For respondents providing coverage					
Percent with an eligibility waiting period	78%	82%	85%	93%	91%
Median waiting period	90 days	90 days	90 days	90 days	90 days
Percent with minimum weekly hours requirement for coverage	81%	87%	88%	96%	93%
Median weekly hours required	30 hrs.	30 hrs.	30 hrs.	30 hrs.	30 hrs.
Percent with union negotiated plan	6%	1%	6%	11%	14%
Percent offering dependent coverage	96%	94%	93%	96%	100%
Deductibles					
• individual median	$150	$100	$100	$100	$125
• family median	$200	$250	$200	$250	$300
Maximum individual benefit, median (million)	$1M	$1M	$1M	$1M	$1M
Percent of benefits paid after deductible, median	80%	80%	80%	80%	80%
Percent of plans including well-baby coverage	29%	47%	47%	43%	42%
Percent requiring no premium from employee for individual coverage	35%	21%	23%	18%	21%
Median weekly premium paid for individual coverage					
• by employee	$15	$12	$11	$10	$6
• by company	$15	$13	$13	$11	$13
Percent requiring no premium from employee for family coverage	31%	25%	20%	18%	7%
Median weekly premium paid for family coverage					
• by employee	$30	$30	$30	$26	$17
• by company	$32	$37	$25	$25	$32
Median number of hourly employees enrolled in plan	5	9	15	38	800
Median number of hourly employees working in a typical week	18	32	65	150	2,550

Source: *National Restaurant Association Health Benefits Survey*

Health insurance plans for salaried employees, by company sales volume, 1987

	Company sales volume				
	Under $500,000	**$500,000-$999,999**	**$1 million-$4.9 million**	**$5 million-$9.9 million**	**$10 million and over**
Percent of respondents providing coverage	42%	68%	93%	97%	100%
For respondents providing coverage					
Percent with an eligibility waiting period	67%	69%	67%	88%	73%
Median waiting period	90 days	90 days	90 days	90 days	90 days
Percent with minimum weekly hours requirement for coverage	78%	90%	88%	85%	88%
Median weekly hours required	40 hrs.	36 hrs.	40 hrs.	32 hrs.	30 hrs.
Percent with union negotiated plan	4%	3%	4%	—	4%
Percent offering dependent coverage	91%	94%	95%	97%	96%
Deductibles					
• individual median	$150	$150	$112	$100	$137
• family median	$250	$250	$200	$250	$300
Maximum individual benefit, median (million)	$1M	$1M	$1M	$1M	$1M
Percent of benefits paid after deductible, median	80%	80%	80%	80%	80%
Percent of plans including well-baby coverage	32%	39%	46%	38%	40%
Percent requiring no premium from employee for individual coverage	64%	52%	57%	38%	46%
Median weekly premium paid for individual coverage					
• by employee	$13	$10	$11	$10	$6
• by company	$20	$19	$19	$14	$13
Percent requiring no premium from employee for family coverage	58%	45%	47%	24%	23%
Median weekly premium paid for family coverage					
• by employee	$36	$28	$25	$27	$17
• by company	$40	$40	$40	$28	$33
Median number of salaried employees enrolled in plan	3	4	7	20	120
Median number of salaried employees working in a typical week	4	4	8	22	325

Source: *National Restaurant Association Health Benefits Survey*

1 NEW ENGLAND

Location: Narragansett, RI
Association members: Anthony Conte, Alan Masciarelli
Operation: Antipasto
Profile: Fullservice, traditional Italian
In business: 3 years
Seats: 65
Meals served: Lunch, dinner

Located a mile off the beach in the resort town of Narragansett on Narragansett Sound, Antipasto does its peak business during the summer months. As its name suggests, it is famous for its antipasto bar, which has more than 50 items from all over the world.

While filling their plates at the antipasto bar, customers are able to look through a window into the kitchen to see the chefs at work, preparing dishes made from veal (deboned and cut on the premises), pasta and desserts such as cannoli and spumoni.

A light blue, burgundy-and-white decor and waiters attired in tuxedo shirts, bow ties, cummerbunds and black trousers make for a formal atmosphere, something co-owner **Anthony Conte** doesn't intend to change. "Business is excellent," he says. "That's why we don't go trendy. We've had a steady growth from the start."

2 MID ATLANTIC

Location: Abbotstown, PA
Association members: William and Annie Gaussman
Operation: Hofbrauhaus
Profile: Fullservice, midscale
In business: 10 years
Seats: 110
Meals served: Lunch, dinner

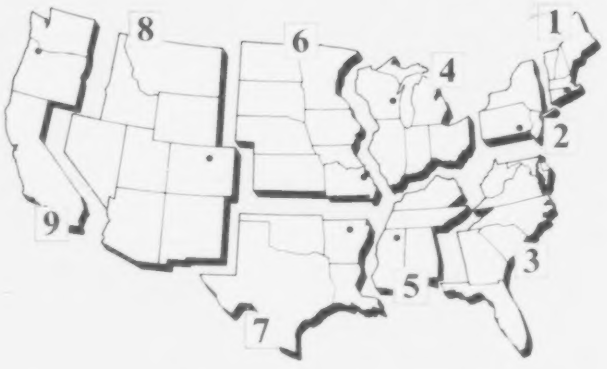
Hofbrauhaus owners **William and Annie Gaussman** came to the United States from Frankfurt, West Germany, 28 years ago. Although their restaurant serves such American fare as steaks, chicken and seafood, the majority of the dishes are German. *Wiener Schnitzel*—a veal cutlet, breaded and pan-fried—*Jaeger Schnitzel*, using pork, or *Schnitzel a la Holstein*, a veal cutlet topped with an egg, anchovies and mushrooms, are some of the specialties. William Gaussman recommends that these entrees be accompanied by potato dumplings, red cabbage or sauerkraut and a German beer or wine. Desserts include apple strudel, baked on premises, or a German chocolate or Black Forest cake.

Gaussman does some advertising, but mostly relies on word of mouth to bring customers to his restaurant, located halfway between York and Gettysburg, Pennsylvania. His customers are predominantly tourists, but regulars from nearby Washington and Baltimore also come. "Business is fantastic," he says. "Each year it gets better and better."

3 SOUTH ATLANTIC

Location: Wilmington, DE
Association member: Gerard Gallucio
Operation: Gallucio's Cafe
Profile: Midscale, casual
In business: 18 years
Seats: 125; 75 on the outdoor patio
Meals served: Lunch, dinner, Sunday breakfast

Business is up probably 15 percent over last year, says **Gerard Gallucio** of his restaurant, located a half mile from downtown Wilmington. He credits the good times to a four-year-old banking law that has brought more banks into the area. Gallucio describes his restaurant as a friendly, not highbrow place, where construction workers, Du Pont executives and even the mayor can all mingle comfortably.



The special at Gallucio's is *pizzato*, a dish in which veal, mushrooms, sweet green peppers, tomato sauce and slices of provolone cheese are heaped on a small round of pizza dough and covered with another round of dough before being browned in an oven. Conventional pizzas, subs and steaks are also served and are available for takeout.

During the winter, Gallucio has bartender nights, inviting a local celebrity to tend bar. Between 6 p.m. and 8 p.m. a chosen charity receives 25 cents for every drink sold plus half the bartenders' tips.

4 EAST NORTH CENTRAL

Location: Oshkosh, WI
Association members: Pat and George Schaefer
Operation: George's Gaslight Inn
Profile: Fullservice, family-style
In business: 16 years
Seats: 90
Meals served: Lunch, dinner

"Business is real good," says co-owner **George Schaefer** of George's Gaslight Inn, located a block off Oshkosh's main street. Famous for its overalls, Oshkosh is 80 miles north of Milwaukee, near Lake Winnebago. The paper mills operating within a 60-mile radius of the town make for a healthy economy. And although the restaurant is not a student hangout, a branch of the state university brings in catering business and a larger crowd for school-related celebrations.

The emphasis is on Italian food, with each dish made to order. Featured is a crabmeat canneloni, with layers of crab, a mushroom-wine sauce, lasagne noodles, grated cheese, and, if the customer chooses, a layer of spinach. Steaks are always available, and prime rib is the special every Saturday.

The decor is 1930s, with photos and replicas of 1930 and 1940 cars. The main dining room's walls are papered with pictures of women in deco dress, and fringed shawls are draped from the ceiling.

5 EAST SOUTH CENTRAL

Location: Oxford, MS
Association member:

Mike Seligman
Operation: The Gin
Profile: Casual, midscale
In business: 14 years
Seats: 174
Meals served: Lunch, dinner

Owner **Mike Seligman** renovated an old cotton gin, putting in wood floors, cypress walls, stained-glass windows and ceiling fans, and added memorabilia from all over to make his restaurant a popular gathering place for families, University of Mississippi faculty and students and business people. "Business has been fantastic," he says, adding that a just-completed movie, "The Heart of Dixie," has made The Gin an even greater attraction, since one of the scenes was shot in the restaurant. Seligman also expects business to get a boost when a large government plant is completed in town.

Steaks, burgers, raw oysters and boiled shrimp are the standard menu items, and a typical luncheon special might be an entree of fried chicken or Swedish meatballs with noodles, served with a choice of two vegetables—fried okra, turnip greens, snap peas, creamed or mashed potatoes—corn bread or rolls, and iced tea.

6 WEST NORTH CENTRAL

Location: Hannibal, MO
Association member: John Bogne
Operation: Mark Twain Dinette
Profile: Fullservice restaurant plus drive-in
In business: 46 years
Seats: 80 inside, 24 in outdoor cafe, 24 autos at drive-in
Meals served: Breakfast, lunch, dinner

The Mississippi river town of Hannibal, upstream from St. Louis, is famous as the birthplace of Mark Twain, and when the town celebrates Tom Sawyer Days the first week in July, the Mark Twain Dinette does its biggest business.

What began as a 12-seat diner is now a modern brick building that shares a city block with the Mark Twain house and museum. Tourists come in to enjoy the fried chicken or catfish, steaks, fried onion rings or home-brewed root beer. Most popular, says Bogne, is a *Maid-Rite sandwich*—loose, steamed beef on a bun.

July and August are always good months for the Mark Twain Dinette, but dinette owner **John Bogne** says June this year was as good as July of last year. He thinks the boom comes from holding his prices down, "even though we could get away with higher prices."

7 WEST SOUTH CENTRAL

Location: Heber Springs, AR
Association members: Jack Gay, Clay Grine
Operation: Red Apple Inn
Profile: Upscale restaurant—part of a motel and country club
In business: 25 years
Seats: 150, plus 50 and 40 in two private rooms
Meals served: Breakfast, lunch, dinner

Located on a 650-acre island in a lake in the foothills of the Ozarks, the Red Apple Inn caters to members of the country club, vacationers who stay in the adjoining motel and residents who live on Eden Isle.

"Although winter is a slow time, April through October are peak months, with October being the busiest because that's when people come to enjoy the foliage," says manager **Jack Gay.** "Business this year is about the same as last year—80 percent occupancy in the peak time, 30 percent during the winter."

Awarded four stars by the Mobil Travel Guide, the inn serves such dishes as prime rib, lobster and trout for dinner, innovative salads at lunch and country ham with red-eye gravy or Eggs Benedict at breakfast. A pastry chef makes the restaurant's desserts. *Paradise Pie*—an egg white, soda cracker and pecan crust filled with frozen whipped cream and topped with fresh coconut—is one of the most popular items.

8 MOUNTAIN

Location: Fort Collins, CO
Association member: Russell A. Phipps
Operation: Cuisine-Cuisine
Profile: Fullservice, upscale,
In business: 5 years
Seats: 75
Meals served: Lunch, dinner

Cuisine-Cuisine began as a headquarters for owner **Russell Phipps'** cooking classes and catering business. Customers persuaded him to open a restaurant in the same building, located just off downtown's main street. With its blue-beige color scheme, original art and tin ceiling, the restaurant has a European look. An old bank vault, left over from the days when the building was a title company, is on display. No smoking is allowed on the premises.

Every other week is a theme week, featuring either Cajun, Mediterranean, Caribbean, Southeast Asian or American Southwestern versions of Cuisine-Cuisine's regular dishes. "For example, we'll offer our chicken breast with lemongrass and hot Thai peppers for Southeast Asia week," says Phipps.

Business steadily increased the first four years, but has been down this summer, says Phipps. He blames it on increased competition, noting that the market is now saturated.

9 PACIFIC

Location: Portland, OR
Association member: Joseph Torres
Operation: The Last Laugh, Inc.
Profile: Fullservice, dinner show
In business: 4 years
Seats: 300
Meal served: Dinner

Stand-up comics from all over the country appear at the Last Laugh, Inc., in Portland's historic Old Town. But the name stems from winning a feud owner **Joseph Torres** had with a competitor.

The restaurant consists of a 5,000-square-foot room, with a rear section raised for better viewing of the stage. All tables seat four. While many comedy clubs are painted black, the Last Laugh is done in teal, with burgundy carpeting.

Torres has installed a computer system in his club, which he claims is very cost-effective. "Every 15 minutes it tells who is selling what and how much," he says.

Business was a little slow in 1987, notes Torres, but he credits more aggressive marketing techniques with making 1988 a better year. He organized fund-raisers and arranged parties for companies. "We have an average of 85 percent occupancy, and one in three Portlanders has been in the club," he says.

—Julie Fintel

Power ties for a power restaurant

Patrons who show up for dinner without a tie at the Jockey Club in Washington, DC, will find a distinctive power accessory waiting for them. Maitre d' Martin Garbisu, who insists that gentlemen wear ties while dining, recently replenished his supply of loaner neckwear from a collection of celebrities' ugliest ties.

Garbisu purchased the 19 ties during a fund-raising auction that benefited the Big Brothers organization. Those who show up at the restaurant *sans cravate* now can choose from a collection that includes Senator Paul Simon's signature gold-yellow-and-brown bow tie and talk show host Larry King's no smoking, red-and-blue polyester tie. Some of the other celebrity ties were formerly owned by ABC newsman Sam Donaldson, former Supreme Court nominee Robert Bork, Today Show weatherman Willard Scott, columnist George Will and comedian David Letterman.

—The Ritz-Carlton

Domino's delivers a new chain

There's an innovative new pizza delivery chain in south Florida called Pizza Dispatch, but experts say it doesn't pose a threat to the segment's leader, Domino's. How can they be so sure? Because the fledgling eight-unit "budget" chain was created by Domino's founder Tom Monaghan.

Like Domino's, the new chain promises delivery in 30 minutes or the customer gets $3 off the price of the purchase. But Pizza Dispatch pizzas are not the same product. They have a thicker crust and spicier sauce than pies from Domino's, with toppings that include pineapple, hot peppers and chorizo sausage.

The main difference, however, is price and size. Plain cheese pizzas from Domino's cost $6.40 for a 12-inch pie and $8.65 for a 16-incher. Pizza Dispatch charges $4.20 for a 10-inch plain cheese pie and $6.15 for a 14-incher.

According to Greg Sausaman, the new chain's development director, Pizza Dispatch won't compete directly with Domino's. Pizza Dispatch's market, he says, is "the price-sensitive consumer," such as singles and small families on tight budgets, "who now might be eating cheaper, lesser-quality pizza."

—USA Today

Melts only in the mouth?

If researchers at Battelle Memorial Institute in Geneva are correct, M&M's might soon be looking for a new slogan. The scientists say they have developed a new chocolate that will stay firm at temperatures as high as 100 degrees Fahrenheit without any change in taste. That's 25 degrees higher than the melting point for most chocolates. The new chocolate distributes water molecules in a predetermined matrix throughout the chocolate. The water keeps the fats in the chocolate from blending together as the temperature rises. But is it safe on the dashboard or in a kid's pants pocket?

—USA Today

Budging the cold war

With an optimistic sense of peace prevailing between the United States and the Soviet Union, one American company, Bresler's Ice Cream and Yogurt Shops, has introduced a treat guaranteed to end the "Cold War"—the Czar Bar.

Czar
B★r™
Bresler's™ ice cream & yogurt

Czar Bar is a wedge of rich French-cream cheesecake, dipped in dark chocolate, rolled in cinnamon graham-cracker crumbs and served on a stick. Bresler's chose the Russian-theme name and packaging after achieving high name recall in study groups, and to create a new, fun, tongue-in-cheek product. The box and promotional signage sport a Russian soldier in uniform, an image unique in the treats market.

According to David Lasky, president of Bresler's, a high level of consumer curiosity and product recognition is expected to help the Czar Bar compete with the super-premium ice cream bars sold in grocery stores.

—Bresler's Ice Cream and Yogurt Shops

Unstable beer prices mimic Dow Jones

The Customs House, a white tablecloth restaurant located in New York City's financial district, is attempting to alleviate some of the "Black Monday Blues" to which Wall Streeters recently have fallen prey. By discounting beer prices in accordance with the daily close of the Dow Jones, the restaurant hopes to give traders a lift.

According to owner Robert Sullivan, if the Dow Jones closes at 2095.43, for example, a beer that evening will be sold at $2.10 plus tax. The restaurant's standard beer price is $2.75 plus tax.

—The Customs House

You're gonna get it!

Liquor Liability Insurance from

BRICO

If you want protection that is available, affordable and dependable (and who doesn't) there's only one place to get it. BRICO, the company that knows what you want because it's the company that was created by people from your industry with a first-hand knowledge of the on-premises, off-premises retail beverage market.

You see, BRICO was organized by six major national associations representing the licensed beverage retail industry to finally solve the problems involved in finding liquor liability insurance that truly answers your needs. Liquor Liability Insurance is all we do—so you know we do it right.

And BRICO's board of directors—the people who developed the coverage and rate requirements for BRICO's Liquor Liability Insurance—are people just like you who know your business because it's their business too!

**Affordable,
Available,
Dependable
Liquor Liability
Coverage**

So BRICO Liquor Liability Protection is a national program with underwriting guidelines designed to keep rates stable, and there's a choice of limits from $100,000 up to $1,000,000! And, BRICO acknowledges the difference between the various categories of licensed beverage retailers and things like geographic location.

Now—for more information on eligibility requirements and how to apply for Liquor Liability Insurance from BRICO, call your broker or our Underwriting Manager:
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or (301) 961-9800.

If available, affordable, dependable Liquor Liability coverage is what you've been looking for . . . you're gonna get it.

Victor O
Schinnerer
& Company, Inc

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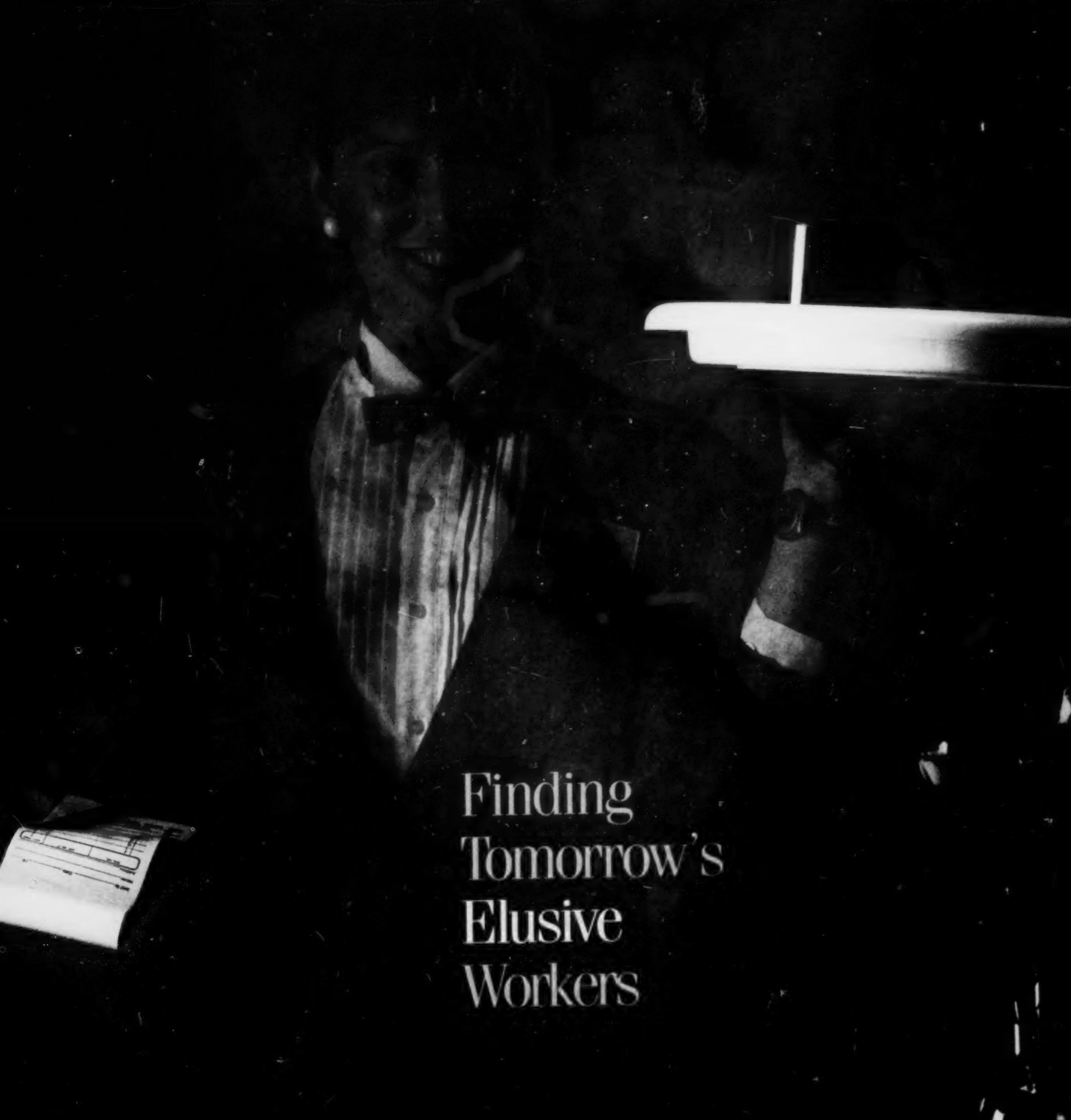
IE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 8 ☐ NO. 8 ☐ SEPTEMBER 1988

RESTAURANTSUSA



Finding Tomorrow's Elusive Workers

ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

9/20	Des Moines, IA
9/21	Chicago, IL
10/4	Baltimore, MD
10/6	Portland, ME
10/12	Phoenix, AZ
10/13	Denver, CO
11/2	Minneapolis, MN
11/3	Madison, WI
11/7	Nashville, TN

Increasing Sales: Effective Front-of-the-House Management

9/20	St. Louis, MO
10/25	Chicago, IL
11/10	Seattle, WA

Kitchen Management

9/19	Atlantic City, NJ
9/27	New York, NY
9/27	San Francisco, CA
9/28	Nassau/Suffolk, NY
9/28	Anaheim, CA
10/3	Newport, RI
10/12	Knoxville, TN
10/17	Williamsburg, VA
11/9	Orlando, FL
11/10	Miami, FL

Tools for Training

9/13	Grand Rapids, MI
9/15	Nassau/Suffolk, NY
11/15	Kansas City, MO

Food Production Courses

Fish and Seafood

9/14	Minneapolis, MN
10/3	Washington, DC
10/5	Cincinnati, OH
10/18	Atlanta, GA
11/10	Chicago, IL

Soups and Sauces

10/24	Tampa, FL
10/25	Orlando, FL

Foodservice Management Courses

Banquet Management

9/20	Atlantic City, NJ
9/22	Hartford, CT
10/18	Louisville, KY
10/20	Portland, OR
11/9	Washington, DC
11/10	Boston, MA

Do-It-Yourself Public Relations

10/3	Milwaukee, WI
10/4	Minneapolis, MN
11/2	Philadelphia, PA
11/3	Cincinnati, OH

Food Cost Management

10/17	Burlingame, CA
10/18	Anaheim, CA

Hiring in a Tight Labor Market

9/15	Washington, DC
9/19	Newark, NJ
9/20	Atlantic City, NJ
9/22	Worcester, MA

Menus that Sell!

9/21	Indianapolis, IN
11/14	Portland, OR
11/15	Seattle, WA

Off-Premises Catering

9/28-29	Beverly Hills, CA

Operational Analysis

9/22-23	Norfolk, VA
10/12-13	Columbus, OH
10/27-28	Minneapolis, MN
11/9-10	Riverside, CA

Planning and Implementing a Restaurant Marketing Strategy

9/19-20	Atlantic City, NJ
10/4-5	Ft. Worth, TX
11/2-3	Jacksonville, FL

Planning Successful Buffets

9/19	Atlantic City, NJ
9/26	Toronto, Ontario
9/28	Halifax, Nova Scotia
10/3	Cleveland, OH
11/7	Indianapolis, IN

Profitability

10/19	Dearborn, MI
10/21	Milwaukee, WI

Restaurant Design

9/29-30	New Orleans, LA

1988 California Wine Workshop

9/24-30	Napa Valley, CA

For information, contact:
Educational Foundation of the National Restaurant Association,
20 N. Wacker Drive, Suite 2620
Chicago, IL 60606
(312) 782-1703

If your company is interested in our in-house programs, call or write to the attention of Larry Fidel at the above address.

EXECUTIVE STUDY GROUP SERIES

Financial Officers

10/5-7	Monterey, CA

Foodservice Purchasing Managers

9/21-23	Boston, MA

Labor Relations

9/15-16	Columbus, OH

Large Independent Operators

9/14-16	Frankenmuth, MI

Management Information Systems

10/11-14	Hilton Head, SC

Marketing Executives

10/16-19	New Orleans, LA

Multi-unit Architects, Engineers and Construction Officers (MAECO)

10/26-28	Orlando, FL

Quality Assurance

10/12-14	Orlando, FL

Tax Executives

10/5-7	Monterey, CA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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RESTAURANTSUSA

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PRESIDENT'S REPORT

Jim L. Peterson, President and Chief Operating Officer
Whataburger, Inc., Corpus Christi, TX

Political affairs are at the top of the association's priority list this month. We all have a chance to influence Washington's power base by attending the fourth annual Public Affairs Conference from September 26 to September 28 at the Capital Hilton Hotel in Washington, DC. Not only does the conference give restaurant operators "hands-on" experience in the legislative process, but also a strong national showing by restaurateurs lends credence to the association's year-round fight for representation.

Public Affairs Conference, September 26-28

At this year's conference, we'll hear from top lawmakers, including Senator Alan Simpson (R-WY) and House tax expert Representative William Frenzel (R-MN). We'll also get election-year perspectives from *New Republic* Editors Fred Barnes and Morton Kondracke.

The association's staff will schedule meetings for you on Capitol Hill with your representatives and senators. After arriving in Washington, you will be briefed on current legislation pending in Congress. And you'll attend our popular "Chef d'Oeuvre" reception, an elegant event featuring food from some of Washington's finest restaurants that attracted nearly 250 members of Congress last year.

For more information about this important political event, contact the association's Government Affairs Department at 1-800-424-5156 or (202) 331-5900.

Association continues to fight legislative battles

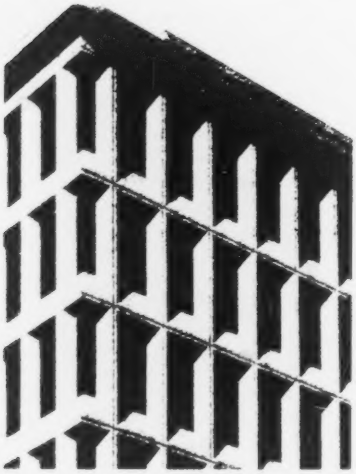
The coming weeks are crucial in terms of pending legislation and the outcome of the fall election. Congress has had a disjointed session this summer because of recesses for the political conventions, and that may mean a flurry of activity at session's end. Here's a brief rundown of four issues the association is actively tracking:

Business-meal deduction. A conference committee is reported to have rejected recent proposals to pay for welfare reform by phasing out the business-meal deduction for certain individuals and unincorporated businesses. But the association continues to lobby to keep the proposal out of the final bill.

TJTC. The House voted to extend the Targeted Jobs Tax Credit (TJTC) for two years beyond its expiration date of December 31, 1988. The Senate may consider a similar measure soon.

Parental leave. The House parental leave bill is scheduled for debate and a vote on September 14. The Senate is expected to vote on a similar bill before adjournment. Both bills would require employers to give workers a limited number of weeks off in parental and medical leave.

Minimum wage. Neither house has scheduled a floor vote on a minimum-wage-hike bill. Passage of an increase is still uncertain.



Our government affairs staff is making every effort to lobby Congress on industry-related issues. On the minimum wage issue alone, it has generated more than 85,000 messages to congressional representatives and senators. At the same time, our Political Action Committee is working to support candidates in this year's election who comprehend our industry's views.

U.S. Culinary Team gears up for "olympics"

The association is proud to be sponsoring the 1988 U.S. Culinary Team's participation in the 17th International Culinary Competition. Also known as the culinary "olympics," this competition will be held in Frankfurt, West Germany, from October 16 to October 20, 1988. The U.S. Culinary Team is made up of some of America's finest chefs, and their participation presents an opportunity to promote the excitement and sophistication of American cuisine. The American team's efforts are being financed by the U.S. Culinary Team Foundation, an organization established by our association and the American Culinary Federation.

AIDS videos can help train staff

Restaurant operators have a new tool to help educate employees about AIDS and the issues surrounding the disease. It is in our best interests to help managers and employees understand AIDS before they have to deal with an AIDS-related situation or rumor. The association has produced a two-part set of videotapes called *The AIDS Issue*. The first tape helps your staff understand the laws surrounding the employment of persons with AIDS. It suggests ways for managers to deal with employees or patrons who may fear that an employee could pass on the AIDS virus. The second tape is directed at all employees, emphasizing the fact that AIDS is not a foodborne disease and that it is not passed through casual contact. To obtain the tapes, send a check for $33.95 to the association's publications department.

New Current Issues Report to look at the future

The association's research department will soon release the results of its study, *The Foodservice Industry in the Year 2000*. A panel of experts, including the National Restaurant Association Board of Directors, was surveyed about its views of the state of the foodservice industry at the turn of the century. The result is a report offering a futuristic view of foodservice topics, including industry structure, the nature of the work force and food technology. Key members will receive the report in the mail soon; so check your mailbox for this glimpse into the future.

Liquor liability insurance available through BRICO

Association members are eligible for liquor liability insurance through the Beverage Retailers Insurance Company (BRICO). This new company was formed by six hospitality associations, including ours, to help ease the insurance crisis created by inflated prices for liquor liability coverage. For more information and an application, call BRICO at 1-800-541-0392.

The association continues to grow as the largest trade organization for the foodservice industry. We welcome the 125 new members who joined the association in August.

Sincerely,

Jim L. Peterson

Jim L. Peterson
President and Chairman of the Board

NATIONAL
RESTAURANT
ASSOCIATION

Officially Endorsed
GROUP
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PLANS

Important
Protection
designed just
for members.

Look
for more details
in this issue!

RESTAURANTS USA

COVER STORY: WHERE WILL THE WORKERS COME FROM?

12 Rapid expansion of the foodservice industry coupled with changing demographics has created thousands of job openings that operators are finding difficult to fill. This cover story takes a fresh look at the labor force and tackles the issue of finding qualified, motivated and reliable employees.

18 Scrambling for help in New Hampshire
With an unemployment rate of 2.3 percent, New Hampshire operators must use new approaches to lure workers.

SPECIALS

20 Employees benefit from charity events
Thanks to the initiatives of their employees, restaurants across the country are donating their time and efforts to charity events. These events are not only good for the charities, but the restaurants also benefit—from positive publicity and improved staff morale.

24 Cookoffs—Battle of the saucepans
Restaurants face off in heated cookoff competitions to prove their fare is the best in the land. Preparing for a cookoff takes a lot of time and effort, but the payoff in profits, exposure—and fun—makes the hard work worthwhile.

27 Newsletters—A lifeline to customers
Newsletters can be an effective personal tool for staying in touch with customers. This article explores how newsletters can be used to educate, inform, entertain and promote. Don't miss the sidebars on how newsletters are being used to communicate with employees and hotel guests.

THE MAIN INGREDI
EPICUREAN

27 Don't let your newsletter become just another piece of junk mail
Fired up to start your own newsletter? Use these guidelines to help you create an effective newsletter—that is, one that will be read and acted upon.

33 Introducing desktop publishing
Desktop publishing opens up the world of publishing, and the process is not as complicated as it seems.

35 Risotto
This northern Italian specialty is considered "the king of rice dishes." Recipes with ingredients from pumpkin to veal marrow prove its versatility.

DEPARTMENTS

6 Short Orders
- ☐ Association's liquor liability insurance
- ☐ Safety operations manual has been updated
- ☐ Vo-tech students compete in skills olympics
- ☐ In Texas everything is bigger
- ☐ Rewarding customer satisfaction
- ☐ Chefs support Meals on Wheels
- ☐ People line up to eat at 1938 prices at Lawry's

8 Washington Report
- ☐ Restaurateurs adapt to IRCA
- ☐ DC Roundup
- ☐ Third sugar substitute approved by FDA

10 Boardroom
- ☐ Alcohol Awareness Task Force meets
- ☐ The Manor wins awards

10 Feedback
- ☐ Letters to the editor

11 To Your Health
- ☐ Surgeon General recommends nutrition measures for operators

26 Fisher's Law
- ☐ The management decathlon

38 Foodservice Trends
- ☐ New restaurant industry operations study
- ☐ The American drought—its effect on food prices
- ☐ Takeout—spearheading industry growth
- ☐ CREST report—spring quarter 1988

44 Foodservice Market Measure
- ☐ A new monthly survey conducted in cooperation with the Gallup organization

45 How's Business
- ☐ Operators discuss regional business trends

47 Food for Thought

Cover photo by Gary Landsman

SEPT

1988

Association's liquor liability insurance available

The National Restaurant Association is finally able to make available to its members low-cost comprehensive liquor liability insurance. The insurance is being offered by BRICO (Beverage Retailers Insurance Company, Risk Retention Group), a risk retention group formed by a consortium of the National Restaurant Association and five other hospitality-related associations. Because BRICO is owned by its insured, it is concerned with consistent coverage at realistic rates, not creating short-term profits for stockholders. BRICO's rating procedures make a distinction between the different categories of licensed beverage retailers (pubs/taverns, restaurants, package goods retailers, hotels/motels) and takes into consideration geographic location.

For information or an application, call 1-800-961-0392.

Safety operations manual has been updated

The new, revised edition of the National Restaurant Association's *Safety Operations Manual* is now available. The manual contains updated information concerning the preparation of an in-house safety program and includes advice on developing an effective self-inspection system. It also discusses the human, educational and physical elements of any safety program and outlines information on insurance, security, planning for emergencies, first aid, OSHA and fire protection.

To buy the manual, call or write the association's publications department. Cost is $13.95 to members, $18.95 for nonmembers, with an additional $2 mailing cost for both. Callers must pay by credit card.

People line up at Lawry's

When Lawry's The Prime Rib in Beverly Hills, California, opened its doors in 1938, it charged customers just $1.25 for a prime-rib dinner—roast prime ribs of beef, salad, mashed potatoes and buttered peas. Coffee cost 10 cents a cup, and English Trifle could be had for a trifling 25 cents. Today the same meal would cost more than $20.

In honor of its 50th anniversary, Lawry's decided to roll back its prices to those cheaper days, and more than 1,000 people lined up to take advantage of the bargain. Among them was Louise Murray, who had been in the restaurant in 1938.

A swing band playing hits from the 30s and 40s, along with a magician and mime and puppeteer, entertained guests who had to wait as long as four hours for the restaurant to open. People sat in beach chairs, mingled with one another and read paperbacks and newspapers to pass the time.

More than 1,000 people lined up for a $1.25 prime rib dinner at Lawry's The Prime Rib in Beverly Hills. Lawry's rolled back prices to its opening day in 1938. The meal, which typically costs more than $20, is displayed by the president of Lawry's Restaurants, Inc., Richard N. Frank, and Executive Chef Carl Winters.

In Texas everything is bigger

When the Texas Restaurant Association throws a party, it serves Texas-size food. In this case it was the association's 51st annual convention and exhibition, with the world's largest fajita as the major attraction.

More than 350 pounds of smoked beef skirt steak were placed on a 194-foot flour tortilla made from 130 pounds of tortilla mix. For garnishing, there were seven gallons of picante sauce, 81¼ pounds of shredded lettuce and 65 pounds of shredded cheddar cheese.

The crowd who attended the party held at Houston's Astrohall on June 25, was Texas-size too: 20,000 people came throughout the day to watch the giant fajita being assembled, listen to a rock-and-roll band and see the Annual Fajita Meet, a competition for the best fajitas in Houston restaurants, sponsored by the association's Houston chapter. The overall winner—and people's-choice winner—was Cinco Robles Mexican Restaurante. Great Charcoal Chicken Co. won for the most original fajita and Casa Ole Mexican Restaurante and Cantina won for the most tender fajita and best booth decoration.

Attendees of the 51st annual Texas Restaurant Association convention created "the world's largest fajita."

Chefs keep Meals on Wheels rolling

Things got hot for Anne Rosenzweig, chef of Arcadia and the 21 Club, during the American Chefs' Tribute to James Beard for Citymeals on Wheels in New York this June. On her right were the bonfire-high flames that Four Seasons' Chef Seppi Renggli had going for his grilled bratwurst. On her left was Chef Mark Miller of Coyote Cafe grilling boneless loins of New Zealand spring lamb, which he served on miniature sage-flavored tortillas. The heat and smoke were overwhelming. Still, Rosenzweig kept her Cajun-style pies—of ground New Zealand spring lamb and sweet potatoes, served with a cherry-rhubarb chutney—coming for the sellout crowd of 1,000 who devoured them with gusto. Guests had paid $350 each for the pleasure of nibbling these and other delicacies prepared by such stellar chefs as Larry Forgione, Bradley Ogden, Wolfgang Puck, Paul Prudhomme, Edna Lewis, Stephan Pyles, Jeremiah Tower, Alice Waters, Jonathan Waxman, Alfred Portale, and Jimmy Schmidt.

Chef Anne Rosenzweig's Cajun-style meat pies were hot-selling items at the benefit for Citymeals on Wheels held in New York City.

Rewarding customer satisfaction

Each quarter, employees of the Wood Company who put forth an extra effort to make their customers happy are rewarded with a hospitality pin—and cash—by the regional foodservice company, based in Allentown, Pennsylvania.

Designed in the shape of a pineapple, the symbol of hospitality, the pins are upgraded each successive time the pin is awarded. For example, a three-time winner receives a 10-karat-gold pin and a four-time winner receives the same gold pin with a diamond chip.

The pins are presented by management at regional award dinners, and winners are also announced in the quarterly management newsletter. A personal profile of a few of the winners is featured in the company's employee newsletter.

These thank-yous are part of a program called "We Want Happy Customers" (WWHC), which was implemented last year in five eastern states to focus employee attention and effort on customer satisfaction and to increase employee awareness of their contributions to a team effort.

The program sets standards of customer satisfaction and shows its employees how to meet them. A program coordinator facilitates the guidelines in each of the company's five main areas. So far 700 of the company's 4,000 employees have received awards.

A company survey shows a 14 percent increase in customer satisfaction since the introduction of the WWHC program. According to Bob Wood, company president, the program has also been successful in raising employee morale.

Happy customers make for happy employees at the Wood Company.

Vo-tech students compete in skills olympics

It wasn't Seoul, Korea. It was Wichita, Kansas. And it was June, not September, when the Vocational Industrial Clubs of America held its own Olympics. There were no javelin throwers or wrestlers or high divers. Instead, more than 2,500 outstanding vocational students joined in the excitement of hands-on competition in 38 different trade, technical and leadership fields.

Six culinary arts students won medals for their skills in preparation techniques, sanitation, ability to follow directions, creativity, plate appearance and taste. Winners in the high school division were: Rob Shiller, Hennepin Technical Institute, Eden Prairie, Minnesota; John Johnson, Maryville High School, Phoenix, Arizona; and Daniel Sagalski, Bullard Havens Vo-Tech, Bridgeport, Connecticut.

In the postsecondary division the winners were: Chris Warosh, Fox Valley Technical College, Appleton, Wisconsin; Charlie Lee Fraley, Elizabethtown SVTS, Elizabethtown, Kentucky; and James W. Archer, Pinellas Vo-Tech Institute, Clearwater, Florida. Professional chefs judged the contestants on the basis of accuracy and workmanship.

WASHINGTON REPORT

Restaurateurs adapt to IRCA

As the Immigration Reform and Control Act (IRCA) swings into full gear, restaurateurs around the country are having widely varying experiences with the new law and its effect on paperwork and hiring.

Why IRCA

Attracted to the United States by the promise of jobs, illegals came pouring into the country until their numbers reached 6 million two years ago.

To regain control of borders and to discourage illegal aliens from flooding the job market, Congress passed the long-debated Immigration Reform and Control Act (IRCA) in November 1986, which requires all employers to verify each worker's eligibility and prohibits them from hiring any unauthorized workers.

Slow phase-in

The law has been gradually phased in since November 1986. A six-month education period was followed by a year-long "warning period" that ended this June. During the warning period, the Immigration and Naturalization Service (INS) issued warnings, rather than fines, to first-time violators of the new law.

INS's top priority, say agency spokespersons, is to encourage voluntary compliance with the law. Between June 1987 and June 1988, INS officers made more than 1 million educational visits to employers, distributing employer handbooks, examining workplace records and explaining to employers where they were going wrong.

Paperwork overload

All employers must now contend with filling out and holding onto Employment Eligibility Verification forms ("I-9s") for all new hires.

With the 2.1 average annual turnover rate that tableservice restaurants experience, this poses special problems for restaurateurs. Not only is the paperwork multiplied, but Ron Salisbury, of Restaurant Business, Inc., in Los Angeles—a firm that owns and operates six restaurants—says the increased paperwork responsibilities also pull his managers and staff away from other duties. "I'm not personally able to do all the checking," a nervous Salisbury notes. He says he fears that one person hired in a pinch may fall through the cracks.

Fritz Magnusson (Steak Rustlers, El Paso, Texas) agrees. "The I-9 form is labor-intensive. I don't have a manager to keep up with the paperwork. I'm it—a one-man show."

Magnusson, in fact, has decided to get out of the restaurant business in part because of the paperwork burdens.

Employers who are able to devote staff and computer resources to help keep the paperwork flowing smoothly do not experience as many problems. "I have one person who takes care of all the personnel duties," says David Cortez of NTC, Inc., a family-owned company that runs three restaurants in San Antonio, Texas. "We are lucky to have a computer that keeps track of whether I-9 forms are complete and lets us know when we need to update the forms."

Large operations also experience less of a problem with the new law. Restaurant Enterprises Group in Irvine, California, which employs 54,000 workers at 688 restaurants across 36 states, conducted an extensive education program for all managers. The program included a videotape and question-and-answer pamphlets. Although the company would prefer not to have had I-9 recordkeeping requirements added to its list of responsibilities nor the increased labor costs of finding workers, Janet Colson, human resources vice president, says her company is adapting well.

Still, trouble crops up even in the most organized operations. INS recently served one of Colson's operations a "Notice of Intent to Fine," alleging that the restaurant knowingly hired an illegal alien.

Full-fledged enforcement

Because employer sanc-

DC ROUNDUP

☐ **Round one: Congressional negotiators drop business-meal proposal.** Restaurateurs sent more than 1,200 mailgrams, cards and letters to members of congressional tax committees last month, urging them to drop a proposal to pay for welfare reform by phasing out the business-meal deduction for certain individuals and unincorporated businesses. The heavy restaurant pressure appeared to be successful. After preliminary negotiations, House and Senate negotiators tentatively rejected the proposal. The National Restaurant Association continues to lobby on this issue, however, since Congress may again look to business-meal deductibility if more money is needed later.

☐ **U.S. House okays a two-year extension of jobs tax credit.** Early last month the U.S. House passed a bill that extends the Targeted Jobs Tax Credit (TJTC) through 1990. Due to expire at the end of this year, the credit is available to employers who hire such groups as economically disadvantaged youths, Vietnam veterans and ex-prisoners. The Senate is expected to vote on TJTC extension in September.

☐ **Franchisor/franchisee relationships under scrutiny.** Reacting to franchisees' complaints, a House Small Business subpanel held an August hearing to see whether the federal government needs to step up its regulation of franchising. Franchisees say franchisors have inordinate bargaining power that permits arbitrary cancellations of franchise agreements. Franchisors counter that to terminate those agreements without good cause would be like shooting themselves in the foot. They argue that they must have the power to terminate substandard franchisees to protect their trademarks.

tions went into full effect June 1, 1988, employers may now be penalized for even first-time hiring and paperwork violations. By the end of this year, 1,500 INS inspectors will be out in the field, up from last year's 700.

Although it is too early to know where enforcement conflicts or problems will emerge, it is likely that employers and INS will differ in their interpretation of what constitutes a "good-faith effort" to comply with the law.

Restaurant Enterprises Group, for example, was cited by INS in mid-July for knowingly hiring an illegal alien. INS contends that the documents the employee presented to establish his identity and eligibility to work were false.

Colson counters that the company's managers are diligently schooled in IRCA's requirements and that the documents appeared legitimate. "We made a good-faith effort," she asserts, and says that the restaurant chain will appeal the fine.

> ***"The I-9 form is labor-intensive. I don't have a manager to keep up with the paperwork. I'm it—a one-man show."***

Conclusion

Because of regional variations in how INS district offices choose to administer the law, restaurateurs will have widely differing experiences with INS and the new law.

—Stephanie Gordon
—Denise Roach

What does the law require?

For all workers hired after November 6, 1986, employers are required to examine documents proving a worker's identity and eligibility to work in the United States. If documents appear to be genuine, employers must fill out I-9 forms for each new hire. I-9s must be kept on file for at least three years. For employees who work longer than three years, the employer must retain I-9 forms for one year after the employee leaves. As long as the forms remain accessible to INS inspectors, I-9s may be stored on microfilm or microfiche.

☐ **How does INS decide which employers to inspect?** INS chooses which employers to visit in two ways. The first is based on complaints from disgruntled employees, business competitors or job seekers.

Second, INS operates under a "general administrative plan" that guides random employer inspections. Under this plan, each of the 33 INS district offices lets Washington, DC, headquarters know how many inspections the district office plans to conduct in a three-month period.

The central office then generates two lists for district officials. The first is a random sampling of employers in the district. The second list, also randomly chosen, draws from employers in specific industries or localities, based on the industry's history of employing illegal aliens or the area's high illegal population. In some areas, restaurants are included on this list of targeted businesses.

☐ **How much notice must INS inspectors give?** The law requires INS to give employers three days' written notice.

☐ **What penalties do violators face?** Civil fines range from $100 to $1,000 for each I-9 form that is not on file or that has been completed improperly. INS says, however, that if employers are making an effort to comply and INS finds only minor paperwork problems, the agency is unlikely to issue fines for just paperwork violations.

Fines are steeper for employers found to have knowingly hired illegal aliens. First offenses result in fines between $250 and $2,000 per worker; second offenses, $2,000 to $5,000; and for third and subsequent offenses, the employer will be fined from $3,000 to $10,000 per worker. Employers who show a pattern of hiring illegals face criminal sanctions of $3,000 for each illegal worker and up to six months in jail.

☐ **What happens when an employer is served a "Notice of Intent to Fine?"** Within 30 days of receiving a notice, an employer can request a hearing before an administrative law judge. If the judge upholds INS's case, employers have two options. They can bargain with INS for a lower fine if they give the agency reason to believe they will comply with the law in the future. Or they can appeal the judge's ruling within 45 days to a United States court of appeals.

Third sugar substitute approved by FDA

Last month the Food and Drug Administration (FDA) approved the sugar substitute acesulfame K to be used in chewing gum, dry mixes for beverages, gelatins and puddings, and table-top sugar substitutes. To be sold under the brand name Sunette, acesulfame K joins saccharin and aspartame (NutraSweet) as the third sugar substitute on the market. Its physical properties make acesulfame K an attractive sweetener to manufacturers. It is 200 times sweeter than sugar, has a good shelf-life and is relatively stable. Like saccharin, acesulfame K is not digested or absorbed by the body; rather it is excreted by the kidneys, unchanged. Plus, acesulfame K can withstand heat up to 400° F so it can be used in cooking and baking. Although it is already on the market in 20 foreign nations, U.S. consumers will not find products containing Sunette on the market until 1989.

—Claire Regan, R.D.

BOARDROOM

Alcohol Awareness Task Force meets

The newly formed Alcohol Awareness Task Force, established under the direction of association president Jim L. Peterson, met in Washington on September 1 to outline a new agenda for the association's alcohol awareness program.

In appointing the task force, Peterson said that the group's mandate would be "to evaluate the association's past efforts in promoting responsible alcoholic beverage consumption and to chart the course for future activities."

At the September meeting, task force chairman Bill Latham led the committee in reviewing the association's first alcohol awareness program, launched in 1984. The group then discussed ways to update and improve the program. Look for more information on the new alcohol awareness program in upcoming issues of ***Restaurants USA.***

—Anne Papa

The Manor wins awards

The Manor Restaurant, owned by association director Harry Knowles, recently garnered national and local awards for its wine list and for its general excellence.

In August, *Wine Spectator* magazine named the restaurant as one of nine recipients of its annual Grand Awards for Outstanding Restaurant Wine Lists—considered by many to be the "Oscar" of the wine world. Wine cellars are evaluated on depth, breadth, overall quality, pricing, inventory, organization and presentation—among other criteria.

And *New Jersey Monthly* magazine has named The Manor the "Best of the Best" in New Jersey's northern region for the fifth year in a row. The magazine also gave The Manor top awards for "Best Wine List."

In acknowledging these awards, proprietor Knowles said, "This recognition makes us even more determined to continue to maintain high standards . . . Word of mouth of satisfied patrons is what has made The Manor what it is today and what it will be in the next century."

Thad Eure (second from left), past president of the National Restaurant Association, recently received an honorary degree at the commencement exercise of the Charleston, South Carolina, branch campus of Johnson & Wales College. Eure, who spoke at the commencement, is shown here with fellow honorees Terry Vince (far left), president of daka, Inc; Burt Cutino (second from right), executive chef and co-owner of the Sardine Factory Restaurant in Monterey, California; and John Mount (far right), president of the Dubois Chemical Co.

Feedback

Dear Editor:

If we are, in fact, to say "au revoir les faux pas" as described in the article "Mealtime Manners" in August's [1988] ***Restaurants USA,*** we must correct two glaring—but common—errors found in the article. The practice of serving plates from the left and removing them from the right may be acceptable in Taunton, Massachusetts, or other unsophisticated areas such as the East or West Coast, but here in Ceresco, Nebraska, we understand why plates are not only served from the left, but are also cleared from the left.

After a hard day in the fields and having completed the chores about the farm, one may well sit down to a supper of—for example—a turtle soup with Manzanilla Sherry, Poached Filet of Sole Veronique with a dry German wine and, before tucking into mother's meat loaf, one would probably crack open a good bottle of claret. Salad, of course, following the entree would be accompanied by whatever chilled bottled water caught one's fancy. Champagne with dessert (during the present heat and drought the Chateau Yquem is a little heavy) and some crusted port passed along with the fruit and nuts would complete this typical farm fare. The different sizes and shapes of the stemware would make it extremely difficult for the maid to clear the plates from the right, and she may very well find she is in the way of the butler attempting to keep one's stemware replenished. Here in Ceresco, Nebraska, we insist that plates be served from the left and cleared from the left.

We also insist that when setting the table, the cutting edge of the knife should face toward the plate, not away from it as shown in the illustration.

These are, maybe, small quibbles but if fine-dining manners are to return to the country nationwide, perhaps the rest of the country can catch up to Ceresco, Nebraska.

Omaha is trying.

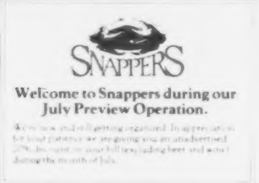
Graham H. Dewsbury
Ceresco, Nebraska

Dear Editor:

We want to thank you for your article titled "Restaurant Previews" in the April 1987 issue of ***Restaurants USA.***

We had limited experience in the food business when we opened July 4, 1987. The preview idea was just right for us. This plan enhanced goodwill from day one as we sense our customers consider they are a part of our effort.

We elected to use full-price menus and credit the customer as indicated on the attached preview card. We did not advertise the preview discount and [even a year later] strongly advise that procedure.


SNAPPERS

Welcome to Snappers during our July Preview Operation.

We look forward to your magazine monthly.

Jackie S. Hall, Secretary
Snappers Restaurant, Inc.
Savannah, Georgia

Surgeon General recommends nutrition measures for operators

The first *Surgeon General's Report on Nutrition and Health* has been released by the Department of Health and Human Services. Prepared primarily for nutrition policy-makers, the report focuses on the relationship between diet and chronic diseases, providing comprehensive, scientific documentation for the U.S. Dietary Guidelines. The report's primary conclusion is that overconsumption is the main concern for Americans, especially a disproportionate intake of high-fat foods at the expense of foods high in complex carbohydrates and fiber.

Foodservice programs are cited as "important opportunities for improving health and providing dietary education." Because of the volume of meals eaten away from home, the report notes that improvements in the nutritional balance of foodservice meals can be expected to improve health. Unfortunately, the report does not acknowledge the changes the industry has already made to offer consumers nutritious, low-calorie foods.

The report goes on to recommend public health measures for foodservice operators. These are disease-specific:

☐ **Aging:** Operators, especially those receiving government funds, should be required to pay special attention to meeting the caloric and nutrient needs of older clients.

☐ **Alcohol:** There are no specific policy implications in this area aside from the noted special populations. (Pregnant women and those with alcohol-related conditions should be counseled on the benefits of abstinence.)

☐ **Cancer:** Operators should increase the availability of foods low in fat and high in fiber.

☐ **Coronary heart disease:** Operators should offer more foods low in fat, decrease those higher in saturated fat and cholesterol. The need for low-fat foods is described as being critical for 25 percent of the population.

☐ **Dental diseases:** Optimally fluoridated drinking water and noncarciogenic foods help promote dental health.

☐ **Dietary fads and frauds:** Nutrition education provided through foodservice should emphasize general principles of sound nutrition and inform about the nature of and problems with dietary fads and frauds.

☐ **Gastrointestinal diseases:** Operators should include provisions for an adequate intake of high-fiber, low-fat foods.

☐ **High blood pressure:** Menus should provide adequate choices of foods with essential nutrients and energy as well as foods low in sodium.

☐ **Infections and immunity:** Foodservice personnel should receive adequate training in sanitary handling and storage of food.

☐ **Kidney disease:** There are no specific policy implications in this area, but it is recommended that protein-restricted diets are made available to people with end-stage kidney disease.

☐ **Obesity:** To fight this problem, operators should include a variety of low-calorie menu items.

☐ **Skeletal diseases:** Foodservice for children, adolescents and young adults should provide diets with sufficient calcium.

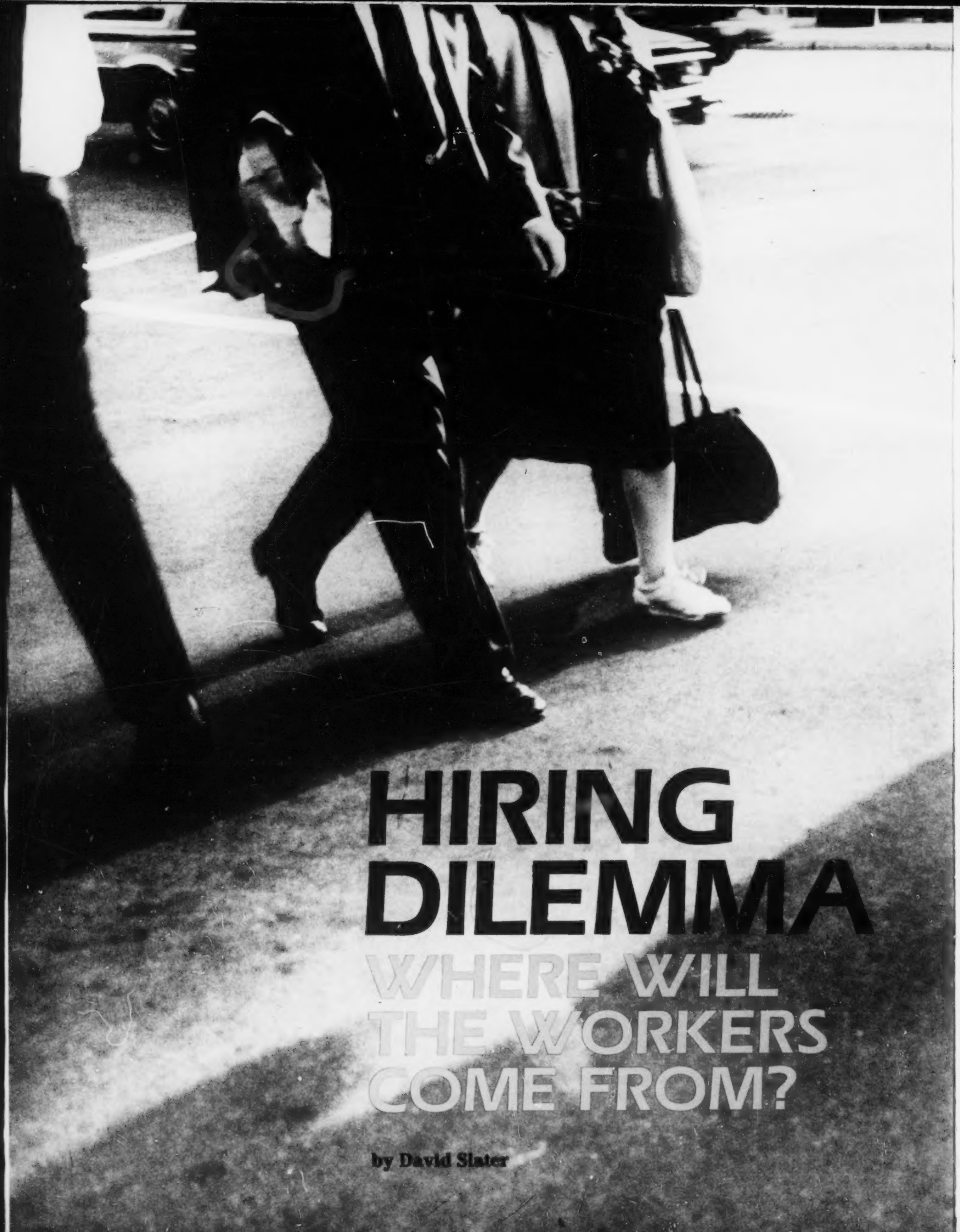
☐ **Neurological disorders:** These problems are helped by diets low in sodium and calories, which maintain ideal body weight and control obesity and diabetes.

The National Restaurant Association's publication, *A Nutrition Guide for the Restaurateur,* offers guidance for menu modification in accordance with the U.S. Dietary Guidelines. Methods of delivering nutrition information to patrons are outlined in the association's *Ingredient and Nutrition Information* booklet, and this column of ***Restaurants USA*** will continue to inform association members about health and nutrition issues.

—Claire Regan, R.D.

Discounts for long-distance calls

National Restaurant Association members who subscribe to the MCI telephone system are being offered a 10 percent discount on their long-distance rates. The discount applies to business calls made during normal business hours. To enroll, or for more information, call 1-800-888-0800 and identify yourself to the operator as a member of the National Restaurant Association.



HIRING DILEMMA

WHERE WILL THE WORKERS COME FROM?

by David Slater

Wilson Elder, owner of the Varsity Drive-in in Athens, Georgia, spends at least 70 percent of his time trying to keep his restaurant fully staffed. Despite paid vacations, annual bonuses and a generous year-old program that gives college students bonuses based on tenure, turnover for his restaurant stands at 200 percent. "I honestly don't know what to do," says Elder. "I think the best thing I could do is get automated. And when I tell you that, I'm telling you something I don't believe in, because I'm traditional, all-American and against automation in the workplace."

Elder isn't alone. The foodservice industry's rapid expansion has created so many job openings that restaurants in many parts of the country cannot recruit workers quickly enough. Foodservice occupational employment is forecast to advance 36 percent between 1986 and the year 2000, but analysts have predicted that between now and the year 2000 the rate of growth in the labor force will be cut in half. Like Elder, many operators are asking, "Where will the workers come from?"

Traditionally, restaurants have concentrated their recruitment on those in the 16 to 24-year-old age group. But the low birth rates of the late 1960s and early 1970s mean there are fewer teenagers and college-age students. In fact, by the year 2000, 16 to 24-year-olds should account for only 16 percent of the labor force, as compared to 20 percent in 1986. With operations so desperate to find qualified employees, the time clearly has come to reassess the definition of the ideal entry-level foodservice worker.

Alternate sources of labor

In an effort to staff their restaurants, many operators have begun to pinpoint unconventional groups that have traditionally been underexploited. In its franchisee recruiting book, for example, Domino's franchisees are instructed to actively recruit housewives, working mothers, retirees, handicapped persons, people looking for second jobs and, of course, 18 to 25-year-olds. But how much of an answer to the industry's labor problems are groups such as senior citizens and disabled persons? And are there other groups that are possibly being overlooked?

□ **Senior citizens.** In recent years, a lot of attention has been given to senior citizens who have reentered the workforce to supplement pension plans or to combat loneliness or boredom. Many operations have integrated senior citizens into their workforce quite successfully, [illegible] spotlighting them in ads and giving them visible positions as hosts or hostesses, to portray the operation as home-style and caring. When these seniors come to work for a company, they often bring experience, a willingness to work and a high degree of reliability—qualities often hard to come by in entry-level candidates.

At a recent Domino's award ceremony, for example, several regional "drivers of the year" were senior citizens who came out of retirement to deliver pizzas. Included among the driving force is an 80-year-old former truck driver in Woodburn, Oregon, and a 69-year-old former postal worker in Oklahoma City, Oklahoma. "We actively recruit senior citizens because we've found that they bring both enthusiasm and experience to a job," says Domino's spokesperson Kerry McNulty.

There is no doubt that restaurateurs fortunate enough to find eager seniors and integrate them into their system have found these mature individuals to be stellar employees. There is some question, however, about just how much of a gap seniors as a group can fill. Ivan Charner, director of research at The National Institute for Work and Learning, says, "There's a whole lot of talk about how much this group wants to work, but I just think the perception is unreal." Charner cites a recent institute survey of retired union workers whose characteristics closely matched those of the general population. The survey revealed that only 7 percent were working. Of those who are not working, 90 percent were not interested in working.

□ **Disabled persons.** A group that may show more promise than senior citizens to fill the employment gap is people with disabilities. According to a March 1986 survey conducted for the International Center for the Disabled in cooperation with the National Council on the Handicapped, two-thirds of all disabled Americans between the ages of 16 and 64 are not working. Only one in four works full time and another 10 percent work part time. No other demographic group under 65 has such a small proportion working, including young blacks.

What is most promising for employers, however, is that a large majority of those not working say that they want to work. Of those working-age disabled persons who are not working, 66 percent say that they would like to have a job. The survey also suggests that many disabled persons are able to hold full-time jobs steadily for many years, without long periods of absence. A 58 percent majority of disabled persons who work full time have worked full time for at least five years without interruption of a month or more.

Friendly Ice Cream Corporation, the 850-unit family restaurant chain, is one prominent company that has benefited from a progressive commitment to hiring workers with disabilities. Of 30,000 workers nationwide, 1,700—nearly 6 percent—have disabilities.

To locate and learn to work with disabled employees, various Friendly district and unit managers work closely with local job placement and rehabilitation centers. In Connecticut, for example, District Manager Bob Hoeffner is involved in the Western Connecticut Association for Handicapped Rehabilitation and with DATAHR, an organization that places people with disabilities. All 12 placements of people with disabilities during the past year in Hoeffner's district have been successful. Nationally, Friendly works with more than 30 organizations that aid persons with disabilities.

Employers generally rave about the dedication and dependability of disabled workers. Jim Pandl, general manager of Milwaukee, Wisconsin-based Pandl's in Bayside, says, "Dis-

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David Slater is a communications specialist at the National Restaurant Association.

Freeman-Uniphoto

Industry recruiters are working hard to convince college students that foodservice jobs can be as profitable as working in high-tech management or other career paths.

abled people have been one of my best finds. You deal with some extra problems, but they are generally great employees. I can't say enough about hiring disabled workers."

☐ **College graduates.** The foodservice industry is linked closely with hospitality programs at many colleges and universities, but the industry has never effectively recruited college graduates from nonfood-related disciplines or professional schools. Before industry recruiters can be successful on campuses, they have to overcome strongly ingrained stereotypes among the students that the industry offers low-paying, dead-end jobs.

Pizza Hut, Taco Bell and Kentucky Fried Chicken, foodservice subsidiaries of PepsiCo, are teaching graduates that foodservice jobs can be as profitable as working in high-tech management or other traditional career paths. The company began expanding its college recruitment efforts six years ago. Since that time, Pizza Hut has doubled the numbers of graduates working in its system to approximately 500.

According to Roger Rydell, director of public relations at Pizza Hut college students have an antiquated notion of foodservice jobs, and Pizza Hut's efforts now are geared toward telling graduates about the industry's fast career ladder and outstanding long-term opportunities. Nonetheless, says Rydell, MBAs and other highly marketable graduates still have a tendency to look only at the bottom line—the starting salary—and not consider that a company, such as Pizza Hut, "might have a 'hidden agenda' that will allow them to possibly move up quicker than at IBM or Exxon."

"The foodservice industry has not positioned itself in a way that makes it attractive to college graduates," says Rydell. The industry has to overcome biases by educating parents, guidance counselors and the students about the opportunities available in foodservice, and it then has to step up recruitment of college graduates from all disciplines. "We're not just looking for graduates who are technically proficient," says Rydell. "We want bright, ambitious people who have the wherewithal to do well at Pizza Hut."

☐ **Blacks in hospitality programs.** A 1988 study suggests that a particularly overlooked segment of graduates may be students in hospitality programs at predominantly black colleges. According to the Hospitality Consortium of Historically and Predominantly Black Colleges and Universities, a recently formed group, the number of blacks in hospitality programs at black colleges far outweighs the number of blacks in the mainstream hospitality programs. According to Karl Binns, president of the consortium and a professor at the University of Maryland, Eastern Shore, the survey confirms that these black colleges can play a large role in developing the management candidates the industry so sorely needs.

L. Patrick Stanton, the Chicago State University professor who conducted the survey, canvassed 17 mainstream colleges, where the most concentrated industry recruitment occurs. He found a black minority enrollment of only 2.4 percent (240 out of more than 10,000). On the other hand, the 13 institutions in the black consortium reported a total of 619 black Americans enrolled in their hospitality programs. Binns believes that as these black hospitality programs mature, "the pool of applicants will expand and become even more important to the industry."

☐ **Hourly employees.** One of the most dramatic changes occurring in the civilian labor force is the sharp growth in the presence of minorities. According to the Bureau of Labor Statistics, between 1986 and 2000, nearly six of every 10 new entrants into the labor force are expected to be black, Hispanic, Asian or members of another minority group.

Asians and Hispanics are entering the workforce at the greatest rate, and Hispanics, especially, seem to be making inroads into the industry's hourly labor force. Their annual growth rate in the labor force, 4.1 percent, is greater than that of any other minority group and more than triple the overall U.S. rate of 1.2 percent. Especially in urban areas, many restaurateurs are beginning to feel the effects of the changing racial and ethnic makeup of the workforce, and some larger hotels and restaurant chains are using buses and vans to transport inner-city kids to suburban locations.

☐ **Leasing employees.** In the past few years, several temporary agencies have opened that specialize in placing temporary employees in restaurants and catering operations. Many operators have found these temporary services to be an effective answer to short-term staffing needs. Now, several restaurateurs in Chicago think that they have found an effective way of resolving their long-term recruitment problems by leasing their workers from a local leasing company. The Chicago Chop House became the first restaurant in the country to lease its workers in June 1987. "It took around six months to work out the problems," says owner Henry Norton. "But now I think it's terrific. It's eliminated a lot of headaches."

Under the terms of the leasing agreement, the leasing company, Heatherton Staff Leasing, Ltd., essentially hires a restaurant's staff and leases the employees back to the restaurant. Heatherton works as the restaurant's human resources department, handling interviewing and firing, payroll preparation and administration, quarterly state and federal taxes and reports, Social Security, W-2s and workers' compensation problems. Best of all, because Heatherton is a large company that services several industries, its employees are able to enjoy a comprehensive benefits plan superior to what could be offered by most independent restaurants.

Heatherton is attractive to employees because it will train and place them, and if a placement does not work out, will place the employee in another restaurant without interrupting the worker's benefits. According to Heatherton owner Becky Outlaw, who has a background in foodservice, "Because we service several industries, we often draw people who would not necessarily go into the foodservice industry otherwise. And that's what the industry needs, right?"

Restaurants pay Heatherton a monthly service fee for the leasing services. Outlaw says restaurants usually save about 2 percent of their gross payroll. Peter Salchow, owner of Biggs and two other Chicago res-

Hot pizza delivered by fired-up employees

Domino's' guarantee, "hot pizza delivered to your door in 30 minutes or less," helped sell more than 200 million pizzas last year. But it wouldn't have worked if all the Domino's employees—the pizza assemblers, the drivers, the store managers and even the people working in the corporate headquarters—didn't feel they had a stake in fulfilling the guarantee. As a matter of fact, missing the 30-minute goal means a loss in profits for everyone, and it means at least one member has let his team down.

What drives these Domino's employees? It's opportunities to make money; it's meeting challenges and being rewarded for meeting those challenges; it's having fun; it's a feeling of being part of a winning team.

An often-told story at Domino's illustrates this feeling. A Domino's store manager once asked Tom Monaghan, Domino's chairman and founder, what he would give him if he brought his weekly sales up to $10,000. Monaghan said he would give him his expensive Hermes tie. The sales manager brought his sales up, and Monaghan made good on his word. Today, the French-made tie or a Hermes scarf is just one of the rewards given to Domino's employees who meet certain goals.

Domino's headquarters in Ann Arbor, Michigan, has one entire department dedicated just to handling awards. "Domino's Pizza spends $3 million annually on its incentive programs," says Laurie Wadhams, the company's director of incentives. Managers, corporate area supervisors and franchise consultants can win Rolex watches, Schlesinger Brothers' briefcases, tickets to the owner's box for Detroit Tigers baseball games (Monaghan owns the Tigers) and all-expenses-paid vacations to Lakeland, Florida, where the Tigers train. One of the most popular awards is a trip to the Domino's Lodge on Drummond Island on Michigan's Upper Peninsula. Competitions range from rookie manager of the year to safe driver of the month to most stores opened to most improved sales to the highest profit percentage attained. For example, the Hermes tie goes to the manager whose store reaches $10,000 in royalty sales in one week for the first time, and the Domino's Lodge trip is awarded to the manager whose store brings in $25,000 in sales in one week.

DOMINO'S
PIZZA
[illegible]IVERS

At Domino's, several regional "drivers of the year" were senior citizens who came out of retirement to deliver pizzas. But, according to a new survey, most seniors—nearly 84 percent—are not interested in working.

Recognition is an award unto itself. A store's Safe Driver of the Month receives a name badge to wear, and his or her name is engraved on a plaque for display in the store. And all the winners are honored in the *Pepperoni Press*, the company newsletter.

Although the incentives department at Domino's is thinking up ever-more ways to encourage employees to challenge one another, Domino's franchise owners and managers think up their own incentives for their workers. Frank Meeks, franchise owner in the Washington, DC, area, knows the value of a challenge. He bet one of his pizza makers, 17-year-old Waheed Asim of Alexandria, Virginia, $2,000 he couldn't break the 4½-minute time in the International Two-Tray Pizza-Making competition held recently in Ann Arbor. Asim not only won Meeks' $2,000, he also won the contest purse of $12,000 and a car for being the World's Fastest Pizza Maker—he made 16 pizzas in 2 minutes and 56 seconds.

Perhaps the biggest incentive of all is Domino's policy of allowing store managers who have had the job for at least a year to qualify for franchise ownership. Startup costs range between $84,000 and $135,000—lower than most other chains—and there is no franchise fee.

"People have quit white-collar jobs to go to work in our pizza stores, knowing what a great opportunity it is," says Kerry McNulty of the public relations department in Ann Arbor.

But first the manager must come up through the ranks and learn the Domino's operations inside and out. Then, as manager, he or she receives up to 25 percent of the store's profits in addition to a salary. Many save this money for eventual purchase of a store.

—Julie Fintel

10 recruitment ideas

☐ **1. Hire interns from local hospitality schools.** Many operators, such as Jim Pandl, general manager of Pandl's in Bayside, Wisconsin, have formed reciprocal relationships with apprentice cooks from nearby hospitality schools. The students get experience and a good wage; the restaurant gets an eager assistant cook.

☐ **2. Feature teenagers in recruitment ads.** Just as several chains have recruited mature adults by featuring senior citizens in employment ads, teenagers singing a restaurant's praises can also be effective. Talk to teenagers who work at your operation to see which employment features might attract their friends.

☐ **3. Always keep an eye out for promising service workers in other industries.** Jim Moffa, a restaurant consultant in Opportunity, Washington, suggests operators distribute their business cards to any service worker who gives exceptional service. Carwashers and receptionists at the dry cleaners are two examples. "Just give them a card and say, 'You're the type of person I'd like to have working at my restaurant. If you are ever looking for a job, give me a call.' They'll remember you," promises Moffa. Other operators have had luck recruiting health club employees or park workers who have developed interpersonal skills in jobs that are often low paying.

☐ **4. Align yourself with a local high school.** Promote your restaurant as a good place to work by establishing a relationship with a local high school. Get a foot in the door by offering to be a guest speaker or by setting up a work-study program or scholarship program.

☐ **5. Re-recruit ex-employees.** Keep a list of valued ex-workers and send them a personal recruiting letter after one year. According to Moffa, by using this method, one company was able to get more than 20 percent of its ex-employees to return.

☐ **6. Offer referral rewards.** Restaurants in labor-starved areas are giving awards to workers who refer another employee who stays with the company at least 90 days. The awards range from pots and pans to cash or savings bonds. An innovative Massachusetts restaurateur awards a meal for four to customers who refer an applicant who gets hired.

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☐ **7. Talk to other restaurants about part-time employees.** Many hourly workers work at a part-time job in addition to their full-time job. Dinah Duwell, manager at Sieben's in Chicago, says she often recruits by calling up other restaurants to see if any of their workers are looking for part-time work.

☐ **8. Place newspaper advertisements in sections other than the classifieds.** "When you place ads in the want-ads, you reach dissatisfied people," says Moffa, who teaches a National Restaurant Association seminar called "Hiring in a tight labor market." A recruiting ad in the food section, for example, will reach individuals interested in food and, if properly designed, can also promote your restaurant to other readers of the section.

☐ **9. Recruit people who are new to the community.** Get a list of new community members from the Chamber of Commerce and send them a welcoming package that includes coupons and an application for any interested family member.

☐ **10. Recruit from sources that complement your operation's theme.** Sports bars, for example, can attract potential employees by sponsoring events or teams and distributing applications at softball diamonds, tennis courts and sporting events. An artsy, theater-oriented restaurant can advertise in playbills and recruit at plays, galleries and drama classes at local high schools and colleges.

taurants, says the program has "saved a substantial amount of money and time. I'm surprised it isn't already a bigger thing than it is," he adds. "It's the best thing I've ever done."

New emphasis on retention

Attracting new workers to a growing industry will of course continue to be a priority in years to come, but equally important is reducing the industry's startlingly high turnover rate. The separation rate for foodservice workers is nearly twice the rate for all American workers. Operators have begun to take steps to reduce turnover through more careful hiring and by improving benefits.

To make sure they are hiring the right person, many operators, such as Dan Lee, general manager of Kansas City's Savoy Grill, have begun to put all potential employees through two or three levels of interviews rather than risk hiring the wrong person "on the spot." "We bring everybody back to be interviewed two or three times because we want people who will stick around," says Lee.

In areas of the country where minority workers are becoming the backbone of the workforce, operators are finding that unconventional benefits can be effective in recruiting and retaining these workers. For example, in suburban Milwaukee, Jim Pandl of Pandl's in Bayside recruits blacks from the inner city because "local kids just don't want to wash dishes." Pandl subsidizes the transportation costs of these inner-city youths by paying employees $1.00 per person for each co-worker they drive home, "even if the driver was already going in that direction."

Greg Hourigan, general manager of Hard Times Cafe in Alexandria, Virginia, says that since the restaurant began hiring Hispanics four years ago, "Turnover has been significantly reduced at a number of kitchen positions where we used to have a lot of turnover." One of the reasons the Hispanics have continued to work at Hard Times, says Hourigan, is because of the unconventional efforts on behalf of the cafe's managerial staff. Because the cafe's Hispanics are primarily Salvadoreans who are new to the country, says Hourigan, "we've had to do a lot of things for them, like take them to the bank to open an account, help them find apartments or show them how to pay their phone bill. But it's paid off in spades for us. We've turned the restaurant into something more than a place they go to pick up a paycheck. They come to us when they need help, and we pick up the phone when we need them. It's a good reciprocal relationship."

At Sieben's Brewing Company in Chicago, where Hispanics comprise about 20 percent of the restaurant's workforce, a bilingual waitress is paid to give free English lessons to interested workers. According to manager Dinah Duwell, in addition to the obvious benefit for the employees, the language lessons help the restaurant because communication is opened between management and staff.

Some more traditional benefit plans that have been common in other industries for years, such as profit-sharing and pension plans, are now appearing even at independent restaurants. At the Savoy Grill in Kansas City, Missouri, for example, all employees are offered access to both a profit-sharing and a pension plan, and managers receive company cars after one year of service. The National Restaurant Association's 1987 Wage and Benefits Study showed that many other companies are also offering profit-sharing and incentive bonus programs, and when operators were asked to comment on changes foreseen during the next two years, the initiation of some sort of profit-sharing program was the most frequent response.

Family benefits are also slowly making headway into progressive foodservice operations, and statistics suggest that these benefits, such as child care and parental leave, will become more important in the near future. According to the Department of Labor, from now until the year 2000, females will enter the labor force at double the rate for males. Industry and government analysts predict that family benefits will be crucial in recruiting, retaining and motivating the workforce of tomorrow.

The foodservice industry's flexible working hours appeal to family-oriented workers, and many operators promote scheduling flexibility when they are recruiting. Few operators offer progressive family benefits, however, and the industry is fighting mandated parental-leave proposals in Congress. Operators who have initiated child-care programs, such as Burger King franchisee Dan Treirweiler of western Michigan, have found that these benefits foster loyalty and expand an operation's recruiting base.

Another benefit several companies have instituted to encourage retention and attract a better-motivated employee is college tuition assistance. Pizza Hut, for example, is testing a program in which hourly workers, depending on tenure, obtain dollars toward tuition. The program can also be used by working parents and grandparents for their children or grandchildren, as well as by student workers. The plan is being tested in the northeast district, and the company hopes to take it nationwide.

Some operators who have initiated these tuition or savings programs have reported mixed results, however, and commonly cite the hourly worker's inability to see past the immediate dollar. Despite the long-term value of the Savoy Grill's saving plans, for example, "People still tend to hop around quite a bit, especially dishwashers," says manager Lee. "They'll take off to the first person who offers them 10 cents more an hour." Elder of the Varsity agrees, saying, "Kids today want the money now, even though the savings program I worked out for them was well in their favor."

Perhaps the best hedge against turnover among hourly workers, then, is simply to raise wages. Even though many foodservice companies in tight labor markets are paying well above the minimum wage, the average hourly wage for foodservice workers, when tips are not included, does not compare with those in the industries with which foodservice competes for workers. According to figures supplied by the Bureau of Labor Statistics, the 1987 average hourly earnings for nonsupervisory employees at restaurants, at $4.41 per hour, trails the average wage at all other retail trades, including banks, grocery stores, department stores, drugstores and gas stations.

Do you have a model career development program?

Does your company have any career development or job opportunity programs? The National Restaurant Association is looking for model programs from all sectors of the foodservice industry for its "Symposium on Foodservice Career Opportunities 2000: Myths, Realities and Prospects." The Symposium will be held on January 10, 1989, in Washington, DC. Exemplary programs can be in any of the following areas:

- ☐ career ladders
- ☐ internships
- ☐ mentoring
- ☐ education-business partnerships
- ☐ special programs for:
  - seniors
  - women
  - youth
  - minorities
  - handicapped, or
  - other demographic groups.

If you are an independent operator, you may not use these terms but still have an appropriate program. Please call or send a brief description to Lorna Luz, National Restaurant Association, 1200 Seventeenth St., N.W., Washington, DC, 20036; 1-800-424-5156.

Your response will help to make the symposium a success.

Jim Pandl of Pandl's, for example, says he thinks he has finally turned the corner on his turnover problems by raising starting wages from $3.35 to $4.00 an hour, which meant, he adds, raising wages throughout the restaurant. Pandl supplements the entry-level wage by adding $.50 an hour to the paycheck of all entry-level workers who are on time for each scheduled shift during each two-week pay period. If they are sick or even one minute late, they lose the bonus, with no excuses accepted.

"I think it was really a case of reality staring me in the face, and it just took me a while to admit it," says Pandl. ❑

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Superficially, the picture for New Hampshire restaurateurs couldn't be rosier. With the lowest unemployment rate in the nation for nearly three years running—hovering around 2.3 percent—the state has basked in the prosperity those figures represent. A growing upper middle class is spending more of its disposable cash in restaurants, and corporate employers are keeping hotels and resorts booked solid as they lodge traveling executives and host conferences and receptions.

But the boom has not been entirely a blessing to the state's foodservice and hospitality industries. Both independent entrepreneurs and franchisees have been quick to discover that success in New Hampshire's thriving market is contingent upon luring the limited labor pool away from high-tech and retail competitors—as well as from one another.

Giving extras

Out of competitive necessity, bonuses and other benefits have become commonplace in the New Hampshire hospitality market. Owners of the new Clarion Somerset Hotel and Convention Center in Nashua typify the dilemma of New Hampshire operators. They were determined to open their property on January 31, 1988, in time to host Vice President George Bush during the New Hampshire primary. With some 188 positions to fill, general manager Jim Kelley needed to be resourceful to attract a viable labor pool. "We knew the market was going to be tight when we came in," Kelley recalls. "So we hired department heads who were known in the industry in surrounding towns and who had contacts with people already in the industry."

"Then," he adds, "we decided to look at the areas of highest turnover—the dishwashers, the pot washers—and do whatever we could to create a feeling of self-respect among those people." Wages were at the top of the list. Since the toughest kitchen spots to fill are those for dish and pot washers, their scarcity has brought the hourly wages for these positions to $7 and $8. In some places, dishwashers are even offered $1 more an hour just for meeting the schedule throughout the week.

Next came an attractive benefits program, bonuses, uniform allowances and open-door communications with management. The result was that the Clarion Somerset Hotel opened on time, and, Kelley claims, in its first six months has experienced a lower turnover rate than many other properties in the area, particularly, smaller independent properties that are harder pressed to come up with the extras necessary to compete successfully.

Raising the ante, though, is the name of the game, and the stakes are not likely to come down any time soon, says Beth Jalbert, executive vice president of the New Hampshire Hospitality Association. "Benefits packages are something new to this industry, and people are offering everything from insurance and paid vacations to credit unions and assistance with child care. Some of the resorts are working on a 'green stamp'-type book for employees to accumulate points for bonuses," she explains. Moreover, as the salary discrepancy between skilled and unskilled labor shrinks, operators are trying to sweeten the pot for chefs and managers by making them partners in the business. The tactic is designed to encourage commitment while ensuring product consistency. "We're seeing a lot of profit sharing," Jalbert says. "If what employees do affects their bottom line, they're going to think twice about not showing up on a busy Friday night."

Finding replacements

Still, even the most creative tactics fall short in a market where the labor pool simply cannot fill the growing number of service jobs. Proprietors and managers complain that good, reliable help is tough to find and nearly impossible to keep over the long term.

"People just leave," says George Scully, owner of the 100-seat Hannah Jack Tavern in Merrimack. "If they stay a year, you're lucky. And finding replacements is tough."

by Patrice D. Raia

In the past, finding replacements simply meant putting an advertisement or two in the classified pages of the local newspaper. No more, say New Hampshire restaurateurs. Although ads are answered, prospects are few; and choosing among the candidates is chancy at best. Accord-

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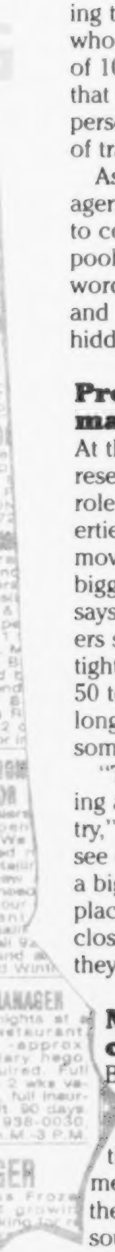
Patrice D. Raia is a freelance writer in Nashua, New Hampshire.

ing to Scully, "Among the people who answer ads, I would say one out of 10 or one out of eight is okay. At that point you have to decide which person you want to invest in, in terms of training."

As a result, many owners and managers are eschewing traditional ways to connect with the existing labor pool. Increasingly they are relying on word of mouth via current staffers and nonprofessional networks to tap hidden sources of labor.



Product reps as matchmakers

At the same time, product sales representatives are playing an expanding role as matchmakers for client properties as well as for staffers on the move. "The reps are becoming the biggest link between jobs and cooks," says Steve Cohen of Donahue Brothers suppliers. "And the situation is so tight that front line cooks are working 50 to 60-hour weeks. It doesn't take long before they go looking for something better."

"The tight job market is really having a negative impact on the industry," he adds. "Most small places I see don't survive a year, and labor is a big part of it. We've even seen places, normally open on Sundays, closing on Sundays simply because they can't get the help."

Networking in the community

Being active in the community is another way to find staff. "Being involved in community organizations, even going to church, you meet people; and somewhere along the line you get to identify a labor source," says Joseph Iaquinta, owner of Carvel Ice Cream Store of Nashua. "You just learn to be creative."

According to Iaquinta, students represent the best source of labor for his property. Young people are eager for extra cash, he says, and although his wage scale can't realistically match that of larger properties, there are ways to create a satisfactory arrangement without compromising on employee qualifications. "Our wage scale can't compete with the big guys," he admits. "And when you talk about adults, you're talking about rent and families to support. The kids will hustle, and we involve them in the business as much as possible. We listen to them at meetings, run employee-of-the-month contests and give holiday bonuses. At the same time, we help them learn skills they'll use all their lives."

"Being involved in community organizations, even going to church, you meet people; and somewhere along the line you get to identify a labor source."

The tactic seems to have worked for Iaquinta, who says it is not unusual for staffers to stay on two years or more. But the New Hampshire legislature nearly closed the door on that labor source when it sought passage of a bill that would limit the hours young people could work weekly.

Augmenting student labor

Although the measure failed to pass, its introduction spurred property owners and managers to augment student labor pools by courting seniors and handicapped people, while actively wooing part-timers from the high tech labor force.

In the throes of staffing the new Ponderosa Restaurant in Merrimack, Brian Egan has made the rounds of local high schools, colleges and senior citizens' centers. Eventually, his staff will be composed of a cross section of workers.

"Our employee is the teenager working after school and on weekends, the college student and the person who already has a 40-hour-a-week job and wants to supplement that income," he explains. "At the same time, we've had lots of calls from mature people interested in what we have to offer."

Though attracting active seniors into the workforce has become commonplace among even the heaviest national industry hitters, seniors are equally choosy about where, when and for whom they will work.

"The problem is now you have a 30-year-old manager telling a 60-year-old employee what to do and how to do it. And you have to take that [touchy situation] into consideration," explains Beth Jalbert. "The key is finding the right person to work in that situation."

More and more often, the right person is a family member, as the Northeast's labor crisis promotes a revival of the oldest tradition in the industry.

Peggy and Tom Buonanduci had few illusions when they opened Tommasino's Restaurant in Milford. Calling her chef father-in-law out of retirement and enlisting the help of her sister-in-law, Peggy Buonanduci built a skeleton staff around family members.

"You get stuck. We had a dishwasher who worked here for two weeks and then quit. So we brought in our teenage son. I've even had my 11-year-old daughter working as a salad girl. She couldn't cut the vegetables herself, but she was an extra pair of hands, and she kept up very well. If you don't work together," she maintains, "you just can't make it in this market."

And the market, according to New Hampshire Hospitality Association's Beth Jalbert, is destined to worsen. With a 104 percent turnover rate in hourly staff and a 46 percent turnover in salaried staff, the challenge to restaurateurs is to cost-effectively maintain consistency and quality service as the demand for services grows.

"Property owners tell me they're hiring people they would never even have considered in the past," says Jalbert. And the situation will only get more competitive, as New Hampshire's economic health magnetizes new businesses and adds new players to its already tight-as-a-drum market. "I don't know if a business would change a decision on a good site based on the labor pool," says Ponderosa's Brian Egan. "It's tough anywhere in this region to find a situation where the labor market is not tight. You just learn to work with it," he adds. "That's all you can do." ❑

EMPLOYEES BENEFIT FROM CHARITY EVENTS

Employees often respond with genuine enthusiasm when a restaurant enlists its support of a local or national cause. It only makes sense, then, that some of the most original and successful charity events are actually employee-inspired and employee-organized. These employee-sponsored events raise a lot more than just money. The restaurant benefits from increased involvement in the community, and employees who volunteer their energy and ideas enjoy a heightened sense of *esprit de corps* in the workplace.

Special events

With a sense of fun

Among the most successful charity events generated by restaurant employees are the efforts at The Magic Time Machine in Dallas. Employees initiate all the charitable activities, with management readily chipping in support. It all started when David Farmer, a former waiter at the restaurant who is now attending law school, began organizing charity events that are as different and fun as The Magic Time Machine itself. (The Magic Time Machine is a former school house, and it has maintained the youth-oriented motif. Servers dress as cartoon characters or other pop-culture figures of their choice—everything from Donald Duck to Rambo.)

Seed money for The Magic Time Machine's charity events comes from the employees' CRASH fund, a kitty to which each employee donates $1 per night. According to CRASH officer Kathy Francis, the money was first used to pay for employee parties, but under Francis' inspiration, CRASH began to fund charitable activities seven years ago.

The three main causes The Magic Time Machine employees support are the Salvation Army's Children's Fund, the Labor Day Roof-a-Thon for Muscular Dystrophy and an annual blood drive for the Wadley Institute of Molecular Medicine in Dallas.

The Salvation Army Children's Fund is the biggest event of the year, when waiters take their cause to the streets—in costume. "We try to pick a really cold, wintry day in December," explains Francis, "because you get a really good response from people when you're dressed up like Woody Woodpecker asking for donations on a miserable day. This year we had a particularly bad day, so we did especially well. About 35 of us raised around $1,300 for the Salvation Army Children's Fund."

At their annual blood drive, The Magic Time Machine "cast members" literally give of themselves. Most people can name several things more "fun" than giving blood, but Magic Time Machine CRASH officer Rodney Patrick insists, "We *make* it fun. We each put $5 into a pot, which is split between the fastest and slowest two blood donors. It's all done in costume, and after giving blood we all go visit some of the terminally ill children in the hospital's cancer ward. The kids love it, and it really makes you feel good to do it."

Because it gives them a good feeling

At Eat'n Park restaurants, employee Kay Neeley launched the chain on an annual fundraising drive that in the past nine years has raised more than a million dollars for Children's Hospital of Pittsburgh. Eat'n Park is a chain of 48 family-style restaurants in western Pennsylvania. In 1978 Neeley, a cook at the Eat'n Park in Butler, Pennsylvania, enlisted the help of her fellow employees in Children's Hospital's annual Christmas campaign. Through car washes, bake sales and craft sales, the Butler store raised about $300.

With the blessings of Eat'n Park President Jim Broadhurst, Neeley's crew then challenged the other Eat'n Parks to a friendly competition to see who could raise the most money for the hospital. The first year, receipts skyrocketed to $47,000.

The spirited competition among Eat'n Park restaurants continues each Christmas, but since last year employees have a new "product" to rally around: the new *Eat'n Treats Cookbook*. The cookbook is the brainchild of payroll supervisor Sybilla Griffith. The cookbook features tested recipes from Eat'n Park employees, many of which have been handed down through generations. The expert illustrations for the cookbook were done by some of the young patients at Children's Hospital in Pittsburgh. Cookbooks sell for $6.95 each at all the Eat'n Parks during the annual five-week Christmas campaign, with all proceeds benefiting the hospital.

Eat'n Park marketing manager Tracie Griffith says the restaurant's management is completely supportive of the annual drive and the cookbook, "But the employees should get all the credit for it. It's their project, and they love it. People put in a lot of volunteered overtime to put the cookbook together and to work on the Christmas drive just because it gives them a good feeling. The whole thing has really tightened morale at Eat'n Parks."

Giving something back

The annual *Festa della Vendemmia* (the picking and crushing of the grapes) at Prego in Irvine, California, was the brainchild of Franco Vessia, the restaurant's general manager. Employees donate their

Joan E. Herlong is a freelance writer in Arlington, Virginia.

FESTA DELLA VENDEMMIA

Restaurants of all sizes and types are reciprocating community support by investing their resources, time and energy within the community. Many of these efforts are employee-generated, giving employees not only a sense of satisfaction but also a stronger sense of morale and purpose in their work.

Prego restaurant's Festa della Vendemmia raises funds to support a nonprofit school for learning-disabled children.

Indiana Jones and Princess Leia are but two of Hollywood's famous characters recreated by the employees of The Magic Time Machine Restaurant in Dallas to raise money for the Salvation Army's Children's Fund.

time and labor to the annual fall festival because they enjoy supporting the Mardan Center of Educational Therapy, a nonprofit school for learning-disabled children in Irvine.

Vessia explains how the first festival came about: "I was looking for a way to become involved, to give something back to the community for the support it has given us since we opened Prego two-and-a-half years ago. A regular customer, a neighbor of mine, is president of the Mardan Center. I took a tour of the school and learned more about it and wanted to be helpful. So we put together our *Festa della Vendemmia.*"

For the festival, Vessia transforms the plaza behind the 300-seat restaurant into an authentic Tuscan winery, complete with waiters and waitresses clad in peasant costume, a horse-drawn cart or two, and great vats of grapes ripe for the stomping. For $35, ticket-holders get to sample a huge buffet of northern Italian country fare, sip wines donated by local purveyors and celebrate the crushing of the grapes as they stain their feet a deep shade of purple.

Each year, employees of The Magic Time Machine Restaurant in Dallas donate their time and energy to the Labor Day Muscular Dystrophy Association telethon.

The first *Festa della Vendemmia* in 1986 raised about $2,000 for the school. The second one did even better, netting about $6,000 from more than 400 attendees. Vessia says the festival is a great combination for Prego: "It's good exposure for the restaurant, and our regular customers look forward to the event. The employees really enjoy it, and they donate their time to do it."

Vessia is especially pleased to be active in a local project "because we are now seeing some of the fruits of the festival. The school is breaking ground on a new, larger school in Irvine, so we really feel like we've helped to make a difference."

An ongoing process

Working to help kids

For many restaurants, social responsiveness has grown beyond one or two large events per year. At Tony Roma's in Cleveland, the staff is "almost constantly" involved in promoting one cause or another. Bill Dieterle, vice president for operations and public relations for Tony Roma's in Cleveland, says, "I receive about 50 requests a month to sponsor an event or make a donation to various causes. We try to say yes to the ones that make sense, mostly those centering around children."

Tony Roma's is part of a 92-restaurant rib chain that came to Cleveland

A nationwide partnership

Individual restaurants and large chains are joining forces to fight hunger. Share Our Strength (SOS), a national network of restaurants committed to relieving the problem of hunger at home and abroad, was founded four years ago in response to the Ethiopian famine crisis. Since then almost 700 restaurants have become members of SOS, donating $100 to $500 annually, although there is no minimum donation.

On May 17 of this year, SOS held its first annual "Taste of the Nation" fundraiser. Hosted simultaneously in 25 cities across the country, the food and wine tasting event netted more than $250,000. Through the help of event sponsor MasterCard International, all of the proceeds have already been donated to 35 predetermined domestic food banks and homeless shelters (70 percent), and to three international relief agencies (30 percent).

The lists of chefs and restaurants featured in the Taste of the Nation events reads like a Who's Who in the restaurant industry; but SOS is not out to be exclusive in its membership or its major fundraiser, emphasizes Debbie Shore, associate director of SOS. "There are a lot of ways for the restaurant industry to be involved in hunger relief," Shore points out. "The Taste of the Nation event is just one of them. Any restaurant interested in helping us out is more than welcome to call us. In fact, we especially need help from restaurants in Tennessee, North and South Dakota, Wyoming and Idaho."

The greatest difference between the SOS event and other "tastings" held as fundraisers is that SOS has no overhead costs. "We don't pay for anything," explains Shore. "Everything is donated for the event: the food, the wine, the music, the labor, everything. That way *all* the money raised goes to hunger relief."

Wines for charity

The Napa Valley Wine Auction, in its eighth year, is another successful example of the wine, food and hospitality industries joining together to raise substantial amounts of money for community medical care. First-time buyers, wine buffs, restaurants, wine and food trades people and media from all over the United States and Canada recently participated in this prestigious auction of rare and unusual wines, which raised $467,000 for three local hospitals and clinics. It is projected that the net donation for 1988 will exceed last year's $340,000 donation.

In the past seven years, $1,408,000 has been donated to auction beneficiaries. Begun in 1981 by the Napa Valley Vintners' Association, the auction benefits the Queen of the Valley Hospital (Napa), St. Helena Hospital and Health Center (St. Helena) and in recent years includes the Community Health Clinic Ole (Yountville). In fact, the entire operating budget for the Clinic Ole—a low-income community health facility originally serving farm workers and more recently the area's elderly poor—is derived entirely from auction proceeds.

The Vintners' Association keeps a tight rein on costs. "We try to cover most of the auction expenses through the sale of auction paddles and tickets to the gala preauction Candlelight Dinner," said Jay Corley of Montecello Cellars, who co-chaired the 1988 auction with Sutter Home Winery's Bob Trinchero. The dinner and auction were held at Meadowood Resort Hotel, a 250-acre private reserve off the Silverado Trail in Napa.

Silent auction bidders circulated among the tables of special bottles of Napa wines, upping their bids and checking out their competition. About $23,000 was raised during the silent auction; the live auction brought in $467,000 for three area hospitals and clinics.

Members of the Vintners' Association, growers, restaurateurs, caterers, hotels and inns, and an active army of volunteers begin work on the auction the day after the final gavel comes down. "Many volunteers make the auction their vacation week," says Shirley Knudsen, auction director, who has been coordinating auction efforts for the Vintners' Association since its inception. "Some come here from all over the United States just to volunteer."

Food is a very important part of the Napa Valley Auction. During auction week, almost all of the wineries host dinners and lunches with special emphasis on pairing food with wines. This year, auction participants and media enjoyed the hospitality of more than 40 food and wine events, which ranged from elegant, choreographed winery suppers to informal luncheon extravaganzas in the vineyard. Some had educational seminars, which included descriptor tastings, wine blending, brandy and sparkling-wine production, vineyard management and other technical subjects.

The auction attracts individual buyers, major private collectors and buying groups; only 475 paddles are issued. This year the high bidders were first-time Napa auction participants—Jamie B. Coulter ($29,220), a private collector and Pizza Hut executive from Wichita, Kansas, and Robert C. Powell ($31,760), also a private collector and a real estate developer from nearby Sacramento, California. The highest bid for a single bottle of wine was $12,000, for an etched salmanazar of Far Niente's 1985 Cabernet (roughly equivalent to $1,000 per 750 ml.).

—Deborah C. Goldstein

five years ago. Since then, Tony Roma's has become renowned there for its charity work *and* its ribs. During the past three years, Tony Roma's of Cleveland has raised $100,000 for various charities, but especially for Cleveland's Children's Hospital, Rainbow Babies Center, and Our Lady of Wayside Home for Handicapped Children. When the restaurant recently placed first in a national ribs cookoff it won $25,000, and all the prize money went to charity.

The restaurant sponsors roughly one event per month for various charities, and employees seem more than willing to maintain such a constant pace. In fact, many of the events are employee ideas, such as the St. Patrick's Day breakfast Tony Roma's threw for five-year-old heart-transplant candidate Jackie Loomis. Several employees asked for Dieterle's help in organizing a benefit for the child, who needs to raise $175,000 for the operation. He enthusiastically agreed to cosponsor the event with local radio station WMMS-FM.

"The place was jammed!" exclaims Dieterle. "We raised $3,000 that day for Jackie. We also followed up with an Easter event for her, so all together we've raised close to $7,000. More importantly, we brought needed attention on a local and national level to help her out."

Dieterle believes the benefits of charity work cannot be measured in dollars and cents, but he is certain the staff's investment of time and energy pays off handsomely. "We get back everything we do in media coverage," says Dieterle. "Our work keeps our name in front of the public." The efforts even lead to employee recruitment. Two employees came to work at Tony Roma's in Cleveland because they were impressed by the restaurant's work on behalf of Cleveland's Rainbow Babies Center. "They are former 'Rainbow babies,' " says Dieterle, "and they were impressed by our work for the center and wanted to be part of it." ❑

BATTLE OF THE SAUCEPANS
COOKOFFS

By [illegible]

Are you looking for an effective way to bring your product and operation to the public? Try a cookoff, an exciting culinary battle that combines the hoopla and drama of a boxing match with the unrestrained bounty of a Roman feast.

Suzani

P. T. Barnum would have loved the concept of cookoffs. Restaurant teams whisk-to-whisk, knife-to-knife and ladle-to-ladle with competitors from the other side of town or the other side of the world. The dish of contention ranges from chili, chowder or chicken to pork barbecue, oysters or desserts. The crowd tastes and compares, and then vocally supports its favorites. Showmanship abounds, but when the smoke clears, it's put your food where your mouth is or you're out of luck.

No doubt about it, cookoffs are crowd pleasers. Some of the larger national events are stretched over several days and easily draw more than 100,000 opinionated spectators; but even smaller, weekend cookoffs can draw huge crowds hungry for a good battle and a good bite to eat.

Because they are such crowd-pleasers, cookoffs are often featured as part of a weekend or weeklong festival. For example, the National Oyster Cook-off is a highlight of Maryland's St. Mary's County Seafood Festival in late October, and the International Mexican Food Cookoff is a featured event at Phoenix's Cinco de Mayo Festival each spring.

Turning a tidy profit

As varied as the foods they feature, cookoffs can be structured to appeal to any type of competitor and crowd. Usually, the contestants have to cook their food on site and set some aside to be blind-tasted by a team of judges that often includes chefs, food writers and local celebrities and restaurateurs. Restaurants can get involved either in direct competitions or by sponsoring and organizing smaller cookoffs for individual amateur competitors.

The sheer enormity of some of the national or "money" cookoffs is astounding. For example, more than one-and-one-half million ribs are sold (by the rib or half-slab) during the five-day-long National Rib Cook-off in Cleveland. If these ribs came from a single pig, say the organizers, the pig would weigh slightly more than 40 metric tons, making it large enough to eat the city of Kalamazoo.

Such incredible sales figures can translate into big money for the competitors. Amarillo, Texas-based Sutphen's, for example, netted more than $27,000 in ribs sales at the national cookoff in 1987, and was not even one of the top sellers, according to owner Joey Sutphen. When you add prize money of up to $25,000, he adds, you begin to realize that "you can make good money off these things."

But Sutphen also points out that these huge food festivals "are no small undertaking." Competitors at these national cookoffs often travel from around the country, accruing travel and hotel expenses in the thousands of dollars. Obviously, before trying to break into the national cookoffs, an operator should test the waters on the local level, gathering experience and, says Sutphen, letting "one grow out of another."

Serving up exposure

Many restaurants enter their first cookoff on a lark. But they soon find themselves competing in several annually. The primary reason for the cookoff addiction is the high public relations bang for the buck. Although there are now a number of potentially lucrative national cookoffs, the great majority of cookoffs are local charity events in which the competitors do not cover their expenses. If an operator has a signature item that is suited to the cookoff format, however, cookoffs can pay for themselves as a marketing move that exposes the operation to a new and enthusiastic audience.

According to Bill Dieterle, vice president of operations for Tony Roma's (more than 120 units worldwide) in Ohio, "It's cheaper to compete in a cookoff than to take out a full-page ad in a local paper. People don't always read an ad, but a cookoff gives you the chance to meet the people and put the product out for them to taste."

Of course, the thrill of competition—and especially winning—can be addictive, too. Joy McNulty, owner of The Lobster Pot (96 seats) in Provincetown, Massachusetts, which has taken first place at the Cape Cod Chowder Fest three years in a row, says, "The first year we went because it was fun. Then we started winning; and once you win, you can't stop going."

One group that has let things grow is RibAmerica, six restaurateurs who have banded together to form a traveling cookoff company. As these restaurants became more involved in cookoffs and catering, they invested money in mobile catering vans to take some of the strain off their restaurants. To make use of their equipment throughout the year, they decided to travel together across the country, staging cookoffs to make money for nonprofit organizations.

Being prepared for success

A restaurant does not have to win a cookoff to reap increased exposure from the event, but those that are victorious often learn that an operation had better be prepared for success. McNulty of The Lobster Pot says that after a cookoff, "Our chowder sales go crazy for a few months." Dieterle of Tony Roma's, which has placed in the National Rib Cook-off three years in a row, says that restaurant sales increase 15 to 20 percent during cookoffs.

The increased sales can last, too. Geppetto's Pizza and Ribs (10 units) sold two cases of ribs a week in 1982, when it entered its first cookoff. Today, thanks to cookoff successes, Geppetto's sells more than 500 cases each week, says owner Michael O'Malley.

Because they expose an operation to so many potential new customers, cookoffs can provide the initial push for a fledgling catering business or a substantial increase for one that is established. According to Dieterle, "After this year's cookoff, we saw an immediate increase in our catering. We were inundated for requests from people who said, 'We want the same rib that won the burnoff.' " Similarly, Sutphen's once headed up to New York for an event and ended up traversing the Northeast doing huge catering jobs for people who tried its ribs at the cookoff.

Cookoffs are also an opportune time to market items such as T-shirts, hats and suspenders, as well as signature retail items, such as barbecue sauces or chili-spice packages. From their cookoff booths, many competitors also distribute bounce-back coupons, catering information and copies of their menus.

Getting ready

Cookoff preparation requires the same attention as preparing for a large catering job (often for 100,000 people). Because restaurants can—and do—go through huge amounts of food at an event, special prep planning is usually necessary. Tony Roma's goes into 24-hour operation through much of the summer for cookoffs. "It puts a strain on the restaurant, but aren't those the kind of problems you love to have?" Dieterle jokingly asks.

Scheduling workers for both a busy cookoff and a busy restaurant can be a chore, too. For the National Rib Cook-off, for example, Tony Roma's needed 20 employees to work its booth. To fill the slots during the heavy summer cookoff schedule, Dieterle puts up a sign-up sheet in the restaurant and also hires a corps of youngsters to work only cookoffs. Those who work throughout the summer receive a bonus at the end.

Although working the cookoff booth can be grueling in the summer heat, employees generally enjoy the fun and excitement of these events. For cooks and kitchen workers, especially, cookoffs are a real morale-booster, providing a rare opportunity to step into the spotlight and to have gratifying personal contact with the customer.

In addition, showmanship that might not be welcome behind the line in a restaurant is often an attraction in the looser atmosphere of a cookoff, and, in fact, many cookoffs present showmanship awards. Geppetto's cookoff crew, says O'Malley, has worked up a crowd-pleasing rap song that encompasses dance steps and tong-twirling. Other attention-grabbing tricks include costumes and bands. And, of course, bragging is a big part of any cookoff. For example, The Lobster Pot's McNulty advertises her chowder, made by her son and chef Tim, with buttons and bumperstickers that read, "Tim's Chowder—It's Un-Canny." "You have to have a little theater," laughs the owner.

Despite the playful atmosphere at the events, the successful cookoff competitors are serious about the food they serve. And with good reason. Many attendees make their initial contact with most of the competing restaurants at these events, so it is important to make a good first impression. Consistency of product is key, but can be made difficult by the unfamiliar outdoor cooking systems and the steady, high-pressure crowds. Dieterle of Tony Roma's, a consistent winner in national events, has developed a formula for success that includes having management people at the booth at all times during a cookoff and giving all his servers the freedom to refuse to serve any rib that is not up to par.

An aspect of cookoffs that should not be overlooked is health department requirements regarding such necessities as hot water, sneezeguards and food temperatures. Because these are usually spelled out on the entry form that is mailed to all potential competitors, planning can usually avert any problems.

Sponsoring a cookoff

Quite a few restaurants that have had success in cookoffs later decide to sponsor an event of their own. The owners of Hard Times Cafe (two units), an Alexandria, Virginia-based chili parlor, find that these cookoffs are an effective way to build name recognition and community support.

One of the first steps in planning a cookoff, says owner Barry Thompson, is to select the charity that will benefit from the event. Although the restaurant ends up being responsible for much of the organizational activities and legwork, the charity often supplies the administrative support, especially in the area of promotions and media relations.

Another important consideration, says Thompson, is securing city permits and establishing health department requirements. The planning of chili cookoffs entails the additional problem of obtaining sanctions from one of two governing societies, the International Chili Society or the Chili Appreciation Society International. Competitors in cookoffs vie for points that allow them to qualify for state and regional cookoffs. The owners of Hard Times Cafe work with the societies to select appropriate days and publicize the event to qualified individuals.

When selecting judges, Parker tries to get a balance of food critics, food writers and local celebrities, such as the mayor or a popular disc jockey. "We always get the best judges we can," he says, "because if a cook doesn't win, he's always going to blame the judges."

Hard Times makes it a point to entertain the crowds at its cookoffs with live music and offbeat competitions, such as the ever-popular jalapeno-pepper-eating contest. And, of course, the beer always flows freely. "Immediately following a cookoff," says Thompson, "we always get a nice little blast in the restaurant. But the important thing is raising money for charity." Over the years, Hard Times has raised nearly $100,000 for the National Kidney Foundation. ❑

David Slater is a communications specialist at the National Restaurant Association.

#93

The management decathlon

There is a powerful analogy between the world of sports and the world of management, not only in the strict standards and exacting regimens to which managers must adhere but also in the language they use to conduct business. Sports metaphors, such as "hit a home run," "deliver a knockout punch," "blitz the competition," are commonplace.

There is even a corresponding *management* taxonomy that corresponds to the Olympic 10-event competition. I refer to it as the *Management Decathlon*. Consider:

1. The pole vault. Managers are constantly faced with new objectives and standards. In the beginning, such objectives and standards are relatively easily met, but when a manager moves up the competitive ladder (is promoted), objectives and standards are raised each step along the way, becoming ever more difficult to surmount. The "vaulter" has to vault higher and higher just to keep going. Some competitors drop out along the way or are satisfied with staying at a certain elevation, not wanting to risk the next "notch." On occasion, a surprise occurs, and someone comes out of nowhere to vault ahead of the "known" participants in a particular field.

2. The dash. Successful managers possess speed: speed of thought, speed of action, speed of decision-making. Although the competitive field often starts out even, managers who can rapidly break away from the pack to cross the finish line first are those who have workable ideas, the desire and ability to keep going without losing concentration, the ability to coordinate mind with body (planning with execution) and the ability to adjust to the conditions of the "track."

3. The long (1,500-meter) run. Although speed is essential, stamina is also imperative for success over the long haul. Some of the competitors may sprint too fast and too soon, and they "burn out" before the longer run is completed. Just like their athletic counterparts, they look good in the beginning but fade fast and finish well back in the pack, if they finish at all. Good managers recognize the situation they are in at all times—i.e., whether it's a dash or a marathon—and pace themselves accordingly.

4. The hurdles. Astute managers know that they have to overcome repeated hurdles on their way to the finish line. Thus they measure their strides carefully to leap at the right instant and to extend themselves during the leap, so they don't "trail," tip a hurdle, fall and injure themselves, which would preclude them from finishing at all. The gracefulness and dexterity with which they handle each hurdle is noticed and admired by important spectators.

5. The shot put. From time to time, managers must deal with rather weighty problems. As with most things, the more practice and experience a manager has, the easier it becomes, and each succeeding problem or challenge doesn't seem all that weighty. In fact, proper handling and placement (delegation) is an important technique that is exercised over and over again by successful managers, who think about the push—not about the weight.

6. The javelin throw. Managers must drive their points home to the intended targets with both force and agility. The steps they take before releasing those points can bear heavily on the result, for the proper groundwork is a prerequisite to achieving optimal results. The right trajectories must also be identified, so that the points can land where they are intended, and not fall short or wide of the mark. Once everything is in place, the manager must be careful not to "go over the line" or a "foul" will be called, and all effort will go for naught.

7. The short (400-meter) run. Successful managers are good tacticians as well as good strategists. They don't look beyond the course they are on when it is necessary to concentrate on the shorter track. Although they can't sprint as in the "dash," they do need to operate at a brisker pace than is required in the long run. Thus, successful managers are in shape for both the short run and the long run and realize that the strength of their performance in the shorter run can affect how well they do later over the longer distance.

8. The high jump. Managers need to clear barriers (challenges) by overcoming them; and the higher they clear them, the better off they will be. Although some challenges are best met "head on," many are better overcome by approaching them from a different or a side angle. Sometimes the side approach, coupled with a strong running start, is the best strategy.

9. The discus throw. With all the vagaries of business life, a manager often feels that he/she is turning (spinning?) round and round, gathering momentum by touching all the bases within his/her purview. Even though this turning occurs, successful managers keep their focus on the objectives and deliver what is well in hand to the greatest possible degree. To hit the target, successful managers must take into consideration the wind (environment) and must be sure of the footwork (operating base) and trajectory.

10. The long jump. Successful managers are those who can take a long leap forward and still wind up on their feet. Such a "jump" may represent performing one's current duties at a heightened level of excellence, taking on new responsibilities or leaping into new territory. Concentration is required at all times, as are desire and determination. A running start is also required; one cannot stumble and expect to do very well.

Fisher's Law #93: ***When you are on the management track, stay on track. When you are in the field, be alert to field conditions. When you win, realize that it's a team victory.***

NEWSLETTERS

RESTAURANTS USA SEPTEMBER 1988

A LIFELINE TO CUSTOMERS

by Dorothy Dee

Terms like "hot off the press," "front page" and "late edition" are taking on new meaning for hundreds of restaurateurs. From coast to coast industry professionals are entering the literary field through the back door by publishing their own newsletters—especially those directed at customers.

Favored over radio and newspaper advertising for their reduced cost and more targeted audience, newsletters are being used by operators to boost sales by promoting the restaurant, its menu and special events inside and outside the restaurant. With an exciting mixture of restaurant news; culinary information; and employee, customer and community updates, restaurants are creating newsletters that are welcomed in the homes and offices of present and future customers.

What's Included

Most newsletters include a variety of topics targeted to the restaurant's market. Some are "hard-sell' items, such as coupons, a special-events calendar, discounts or gift certificates. Others are "soft-sell" items that underscore the restaurant's theme, reputation or particular cuisine in an indirect way, such as recipes from the chef, glossaries of culinary terms and articles on food and wine. What is included depends on the restaurant's objectives.

Dorothy Dee is a freelance writer in Bethesda, Maryland.

Underscoring uniqueness

Primarily, restaurants use newsletters to underscore their uniqueness, emphasizing services that set them apart from competitors. For instance, Skoby's, a 400-seat atmosphere steakhouse in Kingsport, Tennessee, highlights its unusual layout and decor by including a blueprint of the inside of the restaurant in its new bimonthly eight-page newsletter. Each issue highlights a few of Skoby's 15 private dining rooms. One recent issue featured "The Bedroom," a 9 x 11-foot room draped in red velvet and lit by a Victorian fringed lamp, where up to six customers

(continued on page 28)

Skoby's
Upcoming Events
Congratulations

THE BEAR'S GROWL

Don't Let Your Newsletter Become Just Another Piece of Junk Mail

by Linda Benedict

Well-done newsletters are a wonderful means of communication. Readers like them because they are short, to-the-point and concisely written. Good newsletters are what the name implies—a letter, a personalized means of communication, with news, the latest information.

However, there are two types of newsletters—those that get read and those that don't. Making sure your newsletter is read takes planning and commitment.

(continued on page 32)

Linda Benedict is an instructor of agricultural journalism at the University of Missouri in Columbia, Missouri.

(continued from page 27)

can dine off a custom-made brass bed—"It's the only time you're allowed to eat crackers in bed!"—and also "The Cooler," where 16 customers can dine in an old-fashioned refrigerator/meat-locker surrounded by authentic-looking meats and cheeses hanging from hooks overhead and antique kitchen and butcher utensils on the walls.

In addition to underscoring Skoby's unique layout, executive chef and president Rick Barger believes that including a graphic design of the establishment in the newsletter is a form of customer training, a way to make customers feel familiar with their surroundings and to guide them through the restaurant.

Other items that set restaurants apart from the competition include cooking classes, features on visiting chefs from out-of-town restaurants or a story on an upcoming food and/or wine festival in the restaurant. When Mr. Stox in Anaheim, California, a 225-seat upscale restaurant, started its newsletter seven years ago, the principals "wanted to let the local trade know what we were capable of doing in the area of food and wine, to let them know how serious we were," says co-owner Ron Marshall. Today, Mr. Stox highlights culinary classes, local outings to cultural events and even restaurant-sponsored international travel in its newsletter, *Epicurean.*

Co-owner Marshall claims the newsletter is more effective than other forms of advertising in separating his establishment from nearby chains. "Because we [the owners] always go to the events, customers get a chance to get to know us. In this day and age if your customers get to know you personally, that is a big benefit," claims Marshall.

Building traffic/sales

Newsletters are also designed to bring customers into an establishment at typically slow times or to sell specialty items or services. For instance, the Richard Perry Restaurant in St. Louis, Missouri, a 172-seat fine-dining establishment, uses its newsletter "to even out our peaks and valleys in sales," says owner Richard Perry. "We see people who are on our mailing list calling in after a mailing. We see them more frequently after a newsletter than before it." Perry also has had success with special promotions advertised in his newsletter. Last Christmas the restaurant featured a gift certificate for breakfast for two delivered to the customer's home. The offer, which was only promoted in the newsletter, garnered 200 takers. It featured a cold breakfast prepared in the restaurant with a rolled omelet, smoked fish, breakfast meats, breads, coffee, juice and a bottle of champagne for $50. Proprietor Perry says the restaurant still receives calls from customers wanting to redeem their gift certificates.

Up north, the Great Lost Bear in Portland, Maine, uses its newsletter, *The Bear's Growl,* to sell collector's edition T-shirts and jackets. Co-owner David Evans of the 125-seat restaurant and bar says that one recent newsletter mention resulted in 50 orders for $7 T-shirts alone.

Educating customers

Newsletters can be an effective educational tool, expanding customers' culinary knowledge and clearing up any menu confusion. Some operators give culinary his-

What to include in your newsletter

How will you fill your newsletter? That question has kept many an operator from undertaking the publishing project. But the contents of a newsletter are literally boundless and quite easy to fill. Restaurateurs have access to more information than they could possibly use.

☐ **A calendar** of restaurant promotions or events. Some operators include community activities.

☐ **Recipes,** preferably those from your own operation or developed by your chef.

☐ **Cooking tips and food hints,** such as how to make a sauce or store produce.

☐ **Personnel profiles,** with photos and bios and mention of any special awards or honors. For example, when Karen Olters, pastry chef at The Chef's Garden in Naples, Florida, was featured in *Florida Home and Garden,* readers heard about it in the restaurant's newsletter "The Main Ingredient."

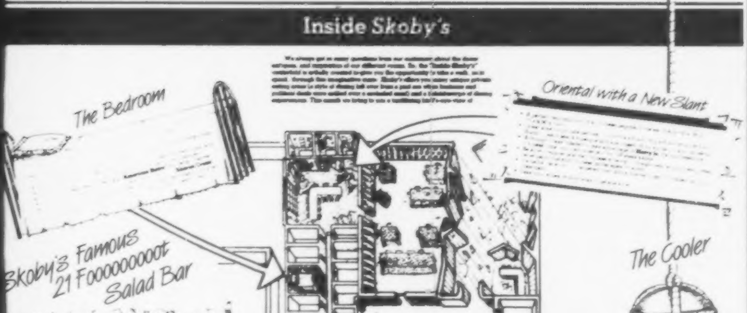
☐ **Photos of customers** dining in the establishment. Both Trotters and Bones in Atlanta prominently feature their customers in their newsletters. They devote pages to guest promotions, accomplishments and birthdays as well as pictures of regulars. Skoby's publishes a birthday list and a "people" column.

☐ Descriptions of **new menu offerings and specials.**

☐ **Restaurant news,** such as awards and celebrity visits.

☐ **Polls or questionnaires** querying customers about planned services or

Inside *Skoby's*


The Bedroom
Oriental with a New Slant
Skoby's Famous 21 Foooooooot Salad Bar
The Cooler

special or new menu items.

☐ **Gift ideas** and mention of **signature items** on sale in the restaurant.

☐ **Party hints** that tell how to prepare a large lunch or a large amount of dip or other dish.

☐ **Special events and announcements,** such as fashion shows, cooking contests, visiting chefs, and holiday promotions and offers.

☐ **Cooking-course announcements,** which feature on-site cooking classes or classes being offered by other community organizations. Include a registration form.

☐ Information on **restaurant-sponsored trips.**

☐ Columns on **new foods,** specialty ingredients and/or an explanation of American and foreign culinary terms.

☐ **Coupons and gift certificates.**

☐ **Advice on where to dine** and stay when travelling to popular cities in the United States and abroad. (Your own "hall of fame.")

☐ **Community events.** Report local news that relates to the lifestyles of your target market—whether it is the winner of the local bowling league or an announcement of a local theater production.

☐ **Culinary history** of menu items, or trivia cited by your bartender.

☐ **Beverage tips**—from how to open a bottle of champagne to how to select the right beer or wine to go with a menu item.

At the end, don't forget to include an address form to keep your mailing list up to date and to add new names. Call it a "VIP List," the way Schuler's of Marshall, Michigan, does in its bimonthly newsletter. Since word-of-mouth advertising is still the most effective form of advertising, encourage it.

tories or explanations of food items on the menus; others talk about wines and spices; still others challenge their readers to answer culinary quizzes. For instance, Hersh's Orchard Inn in Towson, Maryland, a fine-dining establishment with 180 seats, used its newsletter as a vehicle to resolve customer complaints about stone crabs, one of the restaurant's best sellers. When customers complained that their fresh stone crabs had a sticking problem, Hersh's seized the opportunity to publish an explanation. "They felt it was because our crabs weren't fresh, but they were," explains restaurant manager Mike Pachino.

Monique Hooker, owner of Monique's in Chicago, uses a goodly portion of her four-page newsletter to introduce customers to new specialty produce and herbs and to explain culinary terms often seen on her French-bistro-style menu. A column titled "culinary corner" describes common ingredients or techniques, such as sauce preparation, or discusses specialty produce such as wing beans, fiddlehead greens, mache and tomatillo. And a third, called the "herb column," features descriptions of herbs—examining their appearance, culinary history and commmon usage. An accompanying recipe or two utilizing the herb gives readers a chance at first-hand experimentation.

Articulating the rationale for including these items in the newsletter, Monique says, "I use these columns to educate customers so that when they come into the restaurant, they know what the menu items are and are not afraid to order them."

The look

Like the contents, the design makes a statement about the establishment and should echo the flavor of the restaurant—classy if the restaurant is upscale; folksy if it is casual.

Monique Hooker "wanted something impressive, something that looked different" for her newsletter, so she chose a brown paper stock and green as the highlight color—colors she uses in every issue. These colors echo the colors in her restaurant. The restaurant logo is green, and the brown paper is meant to tie in with the warehouse location.

Photos or graphics can be used to accent the copy and attract more interest. To keep cost to a minimum, black-and-white photos or two-color sketches are popular. A word of warning: Do not use black-and-white photos of food in your newsletter—more often than not they look unappetizing. Instead, show a photo of the chef preparing the food or customers enjoying it.

Putting it all together

☐ **Cost.** To publish a newsletter requires an investment of at least $500 and possibly much more, depending on the look and

Hotels, too, are in the news

To Dale Carlson, public relations manager for the Hotel Inter-Continental Hilton Head on Hilton Head Island, South Carolina, "A repeat guest is a happy guest." One way that the Inter-Continental Hilton Head hopes to guarantee the return of happy guests is by publishing the hotel's new quarterly newsletter, *Voyager.* This eight-page, four-color publication, just two issues old, is full of beautiful photos of the hotel and nearby beaches, as well as hotel restaurants, guest services, outdoor pools and other hotel facilities. *Voyager* readers learn of fun-filled honeymoon and family packages, special seasonal cultural events and interesting facts of historic and marine life. *Voyager,* whose circulation tops 28,000, will shortly be published in three versions—one targeted at past guests, another at meeting planners and yet a third at travel agents. Each version will contain a mechanism for the hotel to measure the publication's effectiveness—namely, a business reply card where readers can obtain more information on facilities and services tailored to their needs.

HOTEL INTER-CONTINENTAL

VOYAGER

YOUR SEASON FOR SUCCESSFUL MEETINGS

SPRING GOLF AND TENNIS PACKAGES MADE FOR YOU

Tips for employee newsletters

Employee newsletters serve a valuable purpose in an organization. They not only help management communicate to employees, but they also help engender company loyalty. They do, that is, if they are read and enjoyed by the employees.

To get your employees to read your newsletter, you have to write about more than company policy. You'll have a winner on your hands if you can include articles that meet the five basic needs people have: Everybody wants to get recognition, to increase wealth, to feel safe, to save time and to have some fun.

Employee newsletters are perfect vehicles for meeting these needs. For example, everybody likes to see his or her name in print. People read newsletters looking for names and faces they know so include names and photos of people liberally in an employee newsletter. Some newsletters have a regular department called "People in the News" or "Employee Tidbits" where personal news, such as births, weddings and awards, is published.

You can use employees as sources for articles on the other needs as well. For example:

☐ Money-saving or service tips from employees.

☐ Employee suggestions for improving the safety of the workplace.

☐ Ways busy employees save time.

You can also generate articles on these topics from the management perspective. What is the company doing to help employees increase wealth, have a better health insurance plan or use their time more wisely? Play up these articles in the newsletter.

The last need is the one too often overlooked. People like to have fun. Include a little humor in your newsletter. A "blooper-of-the month" article might bring a smile to employees' faces.

Employee newsletters should follow the same organizational plan of any other type of newsletter. The front page should include the most "newsy" and best-written article.

This is not the letter from the boss. If your newsletter includes a "personalized" communication from the manager or owner, then reserve it for page two. These letters are usually too dull to take up the expensive real estate of page one. Better yet, eliminate them. Include any new information from the boss in a straight news article.

The employees should see the newsletter as being for their benefit. The articles should be enlightening as well as entertaining; if they are, the newsletter will be something employees look forward to receiving and reading.

—Linda Benedict

Friendly Times
NOW HIRING
Inside This Issue

Friendly's has chosen an oversized (tabloid) format for its newsletters, and prints on standard newspaper stock. The four-color, eight-page newsletter is printed on 17 x 22½-inch, 50-pound stock that is folded in half to yield a 17 x 11¼-inch newsletter.

The message to employees

The exceedingly versatile newsletter has found a place in the internal communications efforts of large chains like Pizza Hut Inc., Marie Callender Pie Shops, Inc. and Friendly Ice Cream Corporation. These chains use newsletters as a communications conduit to both employees and franchises, informing them of company progress, programs and benefits that promote employee retention.

Jeff Lightburn, corporate communications director of Pizza Hut, Inc., says the company's quarterly publication *Pizza Hut Today* replaced three earlier publications aimed at different employee audiences. Lightburn called the new publication "more upbeat," "cost effective" and "consistent." Not all is gone from the old publications, though; regular columns offer operational tips. One called, "The Bottom Line"—aimed at managers— offers operational assistance on everything from new equipment to quality assurance. *Pizza Hut Today* also publishes answers to difficult questions called in to the company's hot line, a service available to managers.

Moreover, the newsletter sometimes functions as a recruitment tool. One recent supplement headed, "We're Makin' It Great," carried an interview with the company's president and featured articles on 20 different employees at the corporate and operational level. In addition to bolstering morale among current company employees, the supplement was used to recruit high school and college students.

Friendly Times, published each month by the Friendly Ice Cream Corporation in Wilbraham, Massachusetts, includes many features aimed at increasing employee satisfaction. The eight-page tabloid, which goes to all field and corporate employees, includes a supplement featuring special incentive programs and promotions throughout the company's four regions. Recent issues of the newsletter feature philanthropic efforts, such as the company's "Cones for Kid's" program, which helped raise funds for the National Easter Seal Society, and special employee benefits, such as an employee assistance program that helps company employees solve difficult personal problems on and off the job.

The *Friendly Times* also includes an article complete with photos on the company's manager in training and employee rap session programs. The rap sessions, small-group meetings of six to eight people, serve as a forum where employees share views and ask questions on subjects ranging from working conditions to restaurant procedures.

And Marie Callander Pie Shops, Inc.'s newsletter, "Shop Talk," has a question-and-answer column asking servers to send in their creative solutions to difficult problems, such as how to tell parents nicely that their children are disturbing guests.

length of the newsletter, the type of paper stock used and whether the writing and design is done inhouse or by an outside professional. Additional factors contributing to cost are the number of colors used in printing, the number of photos or illustrations used to accent the copy and the mailing costs.

☐ **Size.** Most newsletters tend to be four pages, folded into a self-mailer and printed in two colors with black-and-white photos or sketches. Operators can select from a variety of paper stocks to gain the look and style they need. Eleven by 17-inch paper is particularly popular because it yields four pages for copy or photos. And when folded into halves or thirds, it produces a self-mailer. However, some operators, such as John Foy of Le Delice in Whippany, New Jersey, and The Restaurant in Bethesda (Bethesda, Maryland), have created their newsletters to read like a personal letter. Their message is on a single sheet of paper, which is then folded into thirds to create a self-mailer. And Trotters of Atlanta uses several sheets of 8½ x 11-inch paper, which are halved and then stapled, to create an 8½ x 5½-inch booklet

☐ **The frequency.** Operators say that newsletters must come out with a certain degree of frequency to maintain consistency and reader interest. Most independents seem to publish newsletters three or four times a year.

☐ **The production.** The production time for newsletters can range from one to three or more weeks, depending upon the size of the newsletter, the complexity of production (the different number of elements being combined) and the number of editorial review stages. Typically, newsletters written by owner/operators take the shortest time. However, many companies use public relations or advertising agencies to handle the editorial work as well as the graphics, design, printing and mailing.

With the advent of desktop publishing and laser printers, it has become possible for operators to write and lay out their own newsletters. For instance, the Great Lost Bear in Portland, Maine, does all the typesetting, layout and mailing inhouse but sends the publication to a printer for duplication. Co-owner David Evans explains, "The Macintosh and the software package set the copy into columns and you can fiddle with it. It makes it very easy."

Not all restaurateurs, however, are advocates of desktop publishing. Skoby's executive chef and president Rick Brager currently writes the copy and has an advertising agency work on the design and filler items. Brager, who researched implementing desktop publishing and decided against it, says, "To get the quality you need [desktop publishing] requires so much training it doesn't justify itself."

☐ **The mailing list**. The success of the newsletter is intimately tied to the excellence of the mailing list. In fact, restaurateurs say that one of the chief benefits of the newsletter is that the audience is targeted. A sound sense of your restaurant and the demographics of your customer base are key to developing an accurate and useful mailing list. For instance, Monique Hooker includes local art galleries in her newsletter circulation, since her restaurant regularly features the work of local artists.

Most independent restaurants send newsletters to their customers, prospective customers, local media and possibly food experts in their area. Many develop their mailing list inhouse by keeping track of existing customers. The Liberty House Restaurant Corporation, which owns Trotters and Bones in Atlanta, uses a reverse city directory to research the addresses of guests making reservations. Operators also get names for their mailing lists through table tents querying customers on interest in the newsletter, by maintaining a log in the reception area where interested customers can request a complimentary subscription, by including a response card with the check at the end of the meal and by keeping track of their credit card sales. Others go beyond their current clientele and hire a mailing service to uncover the names and addresses of local residents or potential customers with a certain level of income.

☐ **Advertising.** The best way to advertise the newsletter is to prominently display it in your establishment. Place a copy in the reception area, at the bar, on each table; and include a newsletter in any carryout or delivery business that you do.

Tracking effectiveness

Although most operators will say that compliments from their customers are the best way to gauge the popularity of their newsletters, they also include periodic items that help monitor the newsletter's effectiveness. Simple ways to measure response are by including discount coupons redeemable at the restaurant, by announcing the sale of gift certificates or specialty items or by advertising special promotions, such as winemaker or gourmet prix fixe dinners that require registration and/or payment in advance.

One way that Hersh's Orchard Inn measures response is by asking its customers to complete a poll, such as one on nonsmoking sections. Another time Hersh's asked newsletter recipients to help rename the establishment's newly redecorated dining rooms. The winner received a $100 gift certificate to the restaurant.

Hersh's Orchard Inn Poll

Are you a Smoker ☐
Non-Smoker ☐
If you smoke, do you smoke:
Cigarettes ☐ Pipe ☐ Cigars ☐
Would you like to see a separate nonsmoking section? Yes ☐ No ☐

Please tear off and mail back, or bring in your responses with you. And thanks for your assistance.

At Skoby's, readers of the newsletter are encouraged to write in questions, ideas and names of favorite out-of-town restaurants. "Whatever the subject, drop us a line. We'll use as many letters as space allows, and what we can't use, we'll read as closely," readers are told.

The use of a culinary crossword puzzle is yet another clever way of measuring readership. Monique Hooker asked customers to complete a culinary crossword puzzle. The entrant who postmarked the first correct puzzle received a free dinner at Monique's, and the second runner-up got a complimentary bottle of wine. ❑

(continued from page 27)

Before you begin

Know your audience

The first step in planning a newsletter is too often overlooked: Know your audience. What do they have in common? For example, if your restaurant appeals to busy young professionals, then you'll want to keep the newsletter short. These people simply do not have time to read.

If your restaurant clientele are those with rather avant-garde tastes, they may appreciate insider details on where to get unusual food items.

But don't guess the characteristics of your audience. Find out. Ask some of your regular customers to fill out a short questionnaire or talk with a few the next time they visit.

Define your purpose

After you have defined your audience, the next thing to do is to define your purpose. Your primary purpose is, of course, to increase business. There's nothing wrong with that. But you'll soon run out of copy if that's all you put in your newsletter. Moreover, there is only so much self-promotion readers will put up with. If they find nothing substantial in your newsletter, just the sight of the envelope it comes in may be all they need to deposit it in the wastepaper basket.

To make sure your newsletter has breadth, write three or four purposes, or reasons why you print it. For example, you may want to keep your readers informed on new menu items or promotions, provide them with "secret" recipes from the chef for home entertaining or give them nutritional pointers.

When you commit your ideas to paper, you are forced to be specific. The more specific your purposes, the easier it will be to prepare your newsletter. Your mind becomes tuned in to bits of information that could make good articles for your newsletter. You can set up a file. Each time you go to put the newsletter together, all you have to do is dig in that file for the material you need. Your newsletter preparation becomes more efficient.

Create an evaluation plan

Once you have been able to define some commonalities among your patrons and have put together three or four purposes for your newsletter, the next step is to figure out an evalution plan. Do this before you put out your first newsletter; it's a way to make sure you keep your audience and purposes in mind. Don't decide that your newsletter is worth doing based on income increases over the next year or occasional compliments. Income may increase or decrease independently of how award-winning your newsletter is, and the least reliable method of evaluation is word of mouth. Most people are too polite and thoughtful to tell you to your face that your newsletter is boring.

There are a couple of ways to evaluate your newsletter that are relatively simple and will provide you with reliable information. The first method is the response article or item. At least one article in each issue of your newsletter should ask for some kind of action from the reader. If this action occurs, then you know somebody out there is reading. Examples of response articles might be:

☐ an order blank for acquaintances of readers who might like to receive the newsletter,

☐ a coupon redeemable for a discount or a free menu item,

☐ a call for more information on a given topic,

☐ an order blank for readers to stay on the mailing list. This one may be the ultimate test.

The second method of evaluation is a survey form. Ask what the readers read and don't read, like and don't like about your newsletter. Use this information to improve your newsletter.

You'll waste your time, though, if you don't design the survey the right way. There's an art to doing it. Here are a few tips:

☐ Ask only what you want to know and not anything extra. If you're not interested in income level or age, don't ask.

☐ Keep the survey form as short as possible—no more than one side of one 8½-by-11-inch sheet. The back of a postcard is best.

☐ Make it easy for people to return. Include a self-addressed, stamped envelope. A self-addressed, stamped postcard has advantages because it can be inserted in one of your newsletters.

Another tip for a survey is that you don't have to ask everybody. If you have a random sample, you can extrapolate the results to the whole population. Pick every tenth name from your mailing list, for example.

You might also want to do a test survey on just a handful of people to make sure your questions are understandable.

Putting out the first issue

Now you're ready to put out that first issue. You know what you want to include. But how do you organize it and write it?

The most efficient approach to the organization of a newsletter borrows from both the newspaper world and the magazine world. You borrow from the newspaper world the news approach to determine the prominence of your articles. Your best, most timely and important article goes first. The rest of the articles follow.

You borrow from the magazine world the technique of departmentalization. That is, you put certain kinds of information under pre-determined headings. For example, these might include such things as nutrition notes, cooking tips from the chef or employee-of-the-month recognition. This technique makes your newsletter easier and quicker to read. Departments also help you become more efficient. You know exactly where to put certain bits of information without having to reinvent the wheel each issue.

Writing tips to remember

With this organizational plan in hand, you're ready to write the articles. Keep these tips in mind as you write:

☐ **Start off with a bang.** Don't beat around the bush. Get to the point. Newsletter articles don't need flowery introductions. They're supposed to provide a quick read for your audience. So borrow the concise writing style of newspaper journalism.

☐ **Use the more familiar and shorter word.** Write to express, not impress. Why say "utilize" when "use" will do?

☐ **Write at a level slightly below what your audience is capable of reading.** They appreciate this because reading goes faster, and this saves them time.

☐ **Write the way you talk.** Keep your style informal. After all, this is a letter.

☐ **Edit your copy.** Let it sit at least 24 hours and then go back and get rid of excess verbiage and clean up the text for clarity. If possible, have at least one other person edit the copy for you.

The most important part of your article is the first sentence. After you've written the first draft of the article, go back and make sure that first sentence grabs attention.

Even more important than the first sentence is the headline. It's safe to say that headlines make or break your newsletter. What do people do when they scan a publication? They read the headlines. That determines what they will read—if they read anything.

Rules for good headlines

To write a good headline, follow these rules:

☐ **Use action verbs.** Verbs like "grab," "strike," "stir" and "build" are all verbs that imply action. Stay away from static verbs like "is" and "are." A headline is even more static if it does not include a verb. These are called "label headlines" and can be deadly unless they are used in combination with a smaller headline that includes a verb.

☐ **Keep the verbs in present tense.** This is the style readers are used to in newspapers. Present tense usually takes up less precious space.

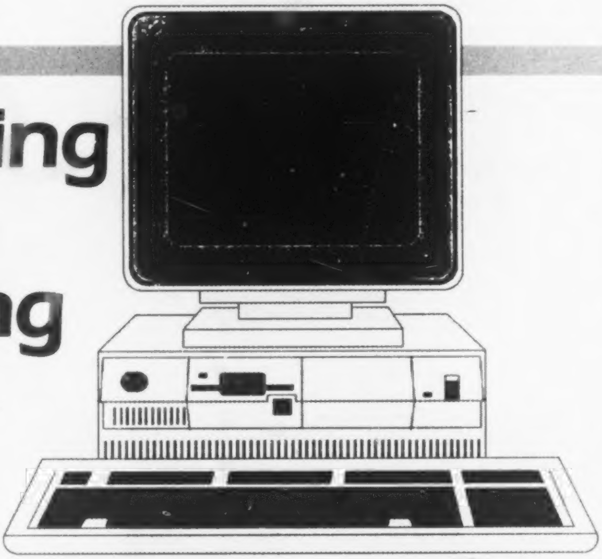
☐ **Get to the point.** Tell what the article is about.

☐ **Be clever, if you can.** Writing good headlines is a good editing technique as well. After writing a headline, people often change their first sentence or paragraph to match the headline. What happens is that as you struggle with writing the headline, you cut through to the essence of the article. Headline writing helps you make the point as concisely as possible.

People like newsletters

Research shows that people prefer newsletters over other communications media. Newsletters can be a way to enlighten, entertain and endear your restaurant to your readers—if you have clear-cut objectives and a commitment to quality. ❑

Introducing Desktop Publishing



by William C. Schwartz

Perhaps the term "desktop publishing" (DTP) is one you've heard before. At last count, more than one million people had purchased DTP software, and the number is growing at an amazing pace. While the vast majority of DTP users are not involved in the foodservice industry, there are definite ways in which this new technology can be of use to operators. In its most basic form, DTP is simply a way to "paste up" words and pictures (graphics) using a computer screen instead of cardboard, scissors and glue.

With a laser printer, you can design, lay out and print professional publications—menus, newsletters, table tents, promotional material and ads—with near-typeset quality, without using typesetters, graphic artists or pasteup services. In fact, you only need a print shop to print large numbers of copies or for color work. Even if you insist on true typeset quality, you can simply copy the document you produced on to a floppy disk, take it down to a typesetter who has the proper equipment, and have it processed at a fraction of the cost of normal typesetting services.

For example, an experienced DTP user can write the copy for a newsletter on a word-processing package. Then he or she starts up the DTP software and "imports" the copy that has just been written. Next, the DTP user selects the type style and point size and places the graphics (pictures, drawings, etc.) where he or she wants them in the publication. All this is done on the computer screen,

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making it possible to rearrange and edit material until everything is just the way the DTP user wants it. Finally, the newsletter is printed on a laser printer, and the print-ready pages are taken to the local printshop for duplication. Of course, very few people start out with the knowledge required to jump right in and begin producing fancy documents; but with the user's manual and the tutorials provided, you can be up and running on the DTP software within a few days.

Tools of the trade

Tempted? All you need to get started is a computer, DTP software, a laser printer, some type fonts, a mouse (electronic variety) and the time to learn how to use it all. It also helps to have some talent in the areas of copy writing, graphic arts and typography.

Still tempted? Perhaps more detail would help. As with most computer decisions, the first step is to select the software you want to use. The two most popular in this field are PageMaker® (Aldus Corporation) and Ventura Publisher® (Xerox Corporation). These packages generally cost between $600 and $800 each. There are, of course, various other DTP packages on the market in a wide variety of prices and capabilities.

The next step is the computer decision. In earlier years, there would have been no choice but to purchase a Macintosh® (Apple Computer, Inc.) It was the only system for which DTP software was available. These days, however, the choice is not that simple. Many DTP software companies have adapted their products to work on IBM-type systems as well.

However, most advise against using "PC"-class systems (Intel 8086 or 8088 processors), since DTP software is heavy stuff for low-horsepower processors, making it unacceptably slow to use. Instead, you will need an "AT" or "386"-class system (Intel 80286 or 80386 processor). The price tag for the computer ranges between $2,000 and $6,000.

It is also important to consider that not just any video monitor will do. DTP applications are heavily graphics-oriented and therefore require video boards and monitors capable of displaying graphics. With Macintosh, this capability is built-in. In the IBM camp, however, it will be necessary to specify graphics capability; and if you like color, you'll need EGA or VGA monitors and video boards. You can even buy monitors specifically designed for DTP, which have 16-inch screens that can display an 8.5 x 11-inch page at full size. Add between $500 and $2,000 for the monitor of your choice.

Finally, you must choose a laser printer. With Macintosh the choice is usually Apple's LaserWriter, although other laser printers are available to run with the Mac. With the IBM camp, the most popular laser is Hewlett-Packard's LaserJet®. Not to be denied, at least 20 other companies produce laser printers for use in the personal computer environment. Be sure that whatever laser printer you buy, it has plenty of built-in memory. Two megabytes should be considered a minimum for DTP printing.

To complicate matters further, you must choose between printer languages. These languages are included with the printer. The DTP software will need to communicate with the laser printer, and there are two languages that dominate the field. PostScript® (Adobe Systems, Inc.) is the most flexible—and the most expensive. Apple has always used PostScript, and many other manufacturers produce PostScript laser printers. Hewlett-Packard, on the other hand, pioneered the PCL language, and by virtue of HP's popularity, established it as a standard.

Invariably, PCL-type printers are less expensive and less capable than PostScript-type printers. The differences in capability between these two languages are substantial, and they should be investigated before making your printer purchase. Laser printers generally cost between $2,000 and $6,000, with PostScript printers toward the higher end of the range.

There is one more consideration. One of the best things about DTP is the ability to use various typefaces. DTP applications generally refer to typefaces as "fonts." Most PCL laser printers come with Courier, which looks like a standard typewriter type. PostScript printers generally come with a larger variety of built-in fonts. Additional fonts are purchased separately. Many companies provide whole libraries of fonts from which you can pick and choose.

Where the rubber meets the road

But don't be put off by the technical details. Computer dealers will bend over backwards to explain them to you in great detail and to show you all the slick systems you can stand to see. Suffice it to say that your investment in DTP will range from $6,000 to $15,000, depending on the equipment you select. Of course, the same computer can be used for other applications, such as accounting, word processing and spreadsheets, to name a few. If you look simply at the investment required to add DTP capability to a suitable computer, which basically involves software and the laser printer, your investment becomes $3,000 to $10,000.

Whether you find the investment worthwhile will depend upon the uses you have and the money you currently spend for newsletters, menus, inserts, table tents, announcements, advertisements, promotional literature and other publications. Consider your current expenditures for typesetting, graphic arts and paste-up work. Consider the potential for increased revenues through the production of newsletters and other promotional devices that had been prohibitively expensive.

But even if you're not quite ready for DTP, it would be well worth your time to learn more about it. Foodservice people have long understood the significance of how things look. The way food looks, the way the room is decorated, staff uniforms and every form of printed matter placed before the customer all have a dramatic effect on the success or failure of the business. DTP represents a way to maintain a high-quality "look" without the ongoing high expense of outside publishing services. ❑

RISOTTO

For a wholesome flavorful alternative to pasta, try risotto—a dish in which rice is the star.

"Rice, like pasta, is a vehicle—a marvelous versatile carrier of other flavors, textures and tastes. And risotto is the king of rice dishes," write Constance Arkin Del Nero and Rosario Del Nero in their soon-to-be-published book, *Risotto: A Taste of Milan* (Harper & Row, 1988).

Risotto is a northern Italian specialty that can enhance the appetizer and entree section of a menu. One distinctive feature of risotto is its tender and creamy texture. Another is its gentle, slow-cooking method. Rice is cooked briefly in butter or oil with flavorings. Then a fragrant stock is added, one half cup to one cup at a time to keep the rice moist as it

RISOTTO AL SALTO
Italian Risotto Patties

Makes 9 patties

Cooking tools:
You will need two bowls, a nonstick pan, a wooden spatula or flat wooden spoon (metal may break patties), wax paper and paper towels.

Ingredients:
3 eggs
1½ cups finely ground bread crumbs
3 cups leftover risotto
1 tspn. milk
Freshly grated black pepper to taste
3 or 4 tspns. butter
½ tspn. dried sage (optional)
Lemon wedges

Method:
Add two eggs and ½ cup bread crumbs to the leftover risotto. Mix well. Form patties approximately 3 inches across and 1 to 1½ inches thick. (If you make the patties too thick, the insides will not cook.) Set aside.

In one bowl beat the remaining egg together with the milk and some fresh pepper.

Pick up the patties one at a time, put into the bowl with the egg mixture and turn to coat evenly. Transfer the patty to the bread-crumb bowl, using your other hand, and turn until it is evenly coated. Arrange the coated patties on wax paper.

Place 3 Tbs. butter in a nonstick pan over medium heat. If you have a little dried sage on hand, add ½ teaspoon or so to the melted butter—it gives a lovely flavor. Once the butter is melted (it should be bubbling but not burning), slip a few of the patties into the pan. Be careful not to overcrowd the pan, because you need room to turn the patties.

After browning the patties for a couple of minutes, turn them over gently, using a wooden spatula. When the patties are golden brown on both sides, remove from the pan and place on paper towels to drain the fat.

Store the freshly sauteed patties in a low oven until you're ready to serve them.

When you serve the patties, place a freshly cut lemon wedge alongside. The touch of sour complements the rich patties wonderfully.

Reprinted with permission from *Risotto: A Taste of Milan*.

RISOTTO ALA MILANESE
Risotto with Veal Marrow and Saffron

Serves 4 to 6

Ingredients:
Approximately 6-8 cups beef or mixed meat stock
6 Tbs. butter
1 medium white onion, cut into small pieces
1 Tbs. veal marrow
2 cups raw rice
¾ cup Lugana wine*
Pinch saffron, or one (12/100 gram) Italian packet saffron
¾ cup grated Parmesan cheese

Method:
Set the stock to heat on a back burner. Keep it hot, but not boiling, throughout the entire procedure.

Melt 5 Tbs. butter in the risotto pot. Spread the chopped onion over the bottom of the pot and stir gently until it becomes transparent.

Add the veal marrow; mix well.

Add the rice, increase the heat a bit, and stir until all the grains are glossy with the marrow butter. Pour in the Lugana, mix and let steam for a few seconds. When the wine is almost gone, add the first cupful of hot stock and mix. Wait for this to be absorbed while stirring often, then add another cupful of hot stock. Continue doling out the stock and stirring until the rice is ever so slightly chewy.

Dissolve the saffron in ½ cup of stock. Once the rice is almost tender, put the saffron stock over the risotto and give a good stir. (If you add the saffron directly to the pot, the rice will not be homogeneously colored.) The saffron reaches peak flavor in just a couple of minutes, so make sure you don't add it too soon.

Take the pot off the flame, add the remaining tablespoon of butter. Mix. Add the grated Parmesan and cover. Serve immediately, with an extra supply of cheese.

A good red wine is the perfect partner for this dish.

**Other suggested red wines: Oltrepo Pavese Barbacarlo, Rosso, or Barbera Narbusto, Franciacorta Rosso (all Lombardy) or Dolcetto (Piedmont).*

Reprinted with permission from *Risotto: A Taste of Milan* by Constance and Rosario Del Nero. Harper & Row, New York, 1988.

cooks. The rice is stirred almost constantly for 25 to 30 minutes to prevent sticking and burning.

Arborio: The rice of choice

Although risotto can be prepared with nonItalian rices (the Del Neros claim Uncle Ben's rice is an acceptable substitute), the creamiest result—and the one most prized by risotto lovers—comes from arborio, a pearly rice grown in the Po Valley of northern Italy. Its virtues include its ability to stand up to the cooking process. It does not fall apart or become mushy; in fact, its grains remain al dente but are held together by a smooth creaminess.

Most chefs insist on arborio rice, for "there is no substitute for arborio," Amelia Hard says emphatically. "Other rices (domestic, short-grain) just don't give the same texture." Hard is chef-owner of the 34-seat Genoa restaurant in Portland, Oregon, which features northern Italian cuisine. She will take risotto off the menu rather than substitute another rice. "It's not difficult to get. My wholesaler carries it," she says.

Food writer Janet Fletcher, author of *Grain Gastronomy* (Aris Books, Berkeley, California, 1988) explains that arborio has an unusually high starch content that gelatinizes upon cooking. "When cooked slowly, arborio doesn't split open like long-grain rice. Rather it swells gently and forms a creamy sauce. People like the texture. I think they find it comforting," Fletcher speculates.

A versatile dish

Despite its long preparation time, chefs like risotto because it is different and versatile. Hard marries risotto with fresh, local seafood for a dish that Genoa patrons love. "It also makes a good unusual use of new, spring asparagus," she adds. Ali Barker of the Union Square Cafe (120 seats, New York City) uses risotto to reflect the seasons. "In the summer I have risotto with escargot, garlic, parsley, and red and yellow peppers. I'm planning one with duck confit and Parmesan for fall." He has also created risotto dishes using fennel sausage, zucchini blossoms and romano cheese; porchini mushrooms and lingonberries; and spicy tomato sauce, squid and shrimp.

Seafood and vegetables also dress up risotto at Cafe Roscoe (160-seats) in Providence, Rhode Island. Chef Karen O'Connell often serves it as a pasta course. She has combined it with zucchini, fresh tomatoes and Parmesan cheese and with little necks and scallops.

Risotto can be made from almost any ingredient, including garden herbs and squid ink. Besides the rice, all that is required are a broth and some parmesan cheese, says Del Nero. Other helpful tools are a heavy, nonaluminum pot and a sturdy, flat-bottom wooden spoon, used to gently stir the grains and roll the bottoms and angles of the pot.

How do chefs cope with risotto's long cooking time? Many chefs partially cook the risotto ahead and finish it off as the orders come in, but most admit it's not the best way to prepare the dish. Risotto made to order is preferable. In fact, in Milan, Italy, restaurateurs employ cooks whose sole responsibility is to prepare risotto. "They begin a new batch about every 15 minutes so no matter when guests arrive there's fresh risotto," says Del Nero. That is not usually feasible in the United States.

When Del Nero operated his own 80-seat restaurant in Ipswich, Massachusetts, (since sold), he could not employ a risotto chef, but he still strove for authenticity. In his ads he encouraged his customers to call ahead for risotto dishes. "Many of my customers came up from Boston; and by the time they arrived, the risotto was ready," he recalls. Del Nero also reports preparing extra portions—for example, enough for eight servings when he had an order for four. "I would then instruct the waitstaff to sell the extra portions," he says. Barker of the Union Square Cafe notes that risotto seems to sell better when people have a choice of risotto. Other restaurants often feature it as a daily special.

What to do with leftovers

If you have leftovers, that's not a problem, says Rosario Del Nero. "Risotto has to be served right away or the magic disappears; but leftovers can be used to make excellent side dishes." The texture changes, and it's easy to manipulate the risotto into balls that can be fried, like rice balls. Add eggs and bread crumbs and saute for risotto pancakes or croquettes. For a lighter dish, try a souffle. Any of these will dress up a menu. ❑

GREEN RISOTTO

This risotto is highly aromatic and makes a delicious first course before a grilled swordfish or salmon. Makes 4 servings

Ingredients:

4 Tbs. unsalted butter
2 large cloves garlic
½ cup loosely packed fresh basil leaves
1½ cups loosely packed fresh spinach, stems removed
½ cup loosely packed parsley, stems removed
1 small onion, chopped
1½ cups Arborio rice
About 5 cups chicken stock
¼ cup freshly grated Parmesan cheese, plus additional for serving
Salt and freshly ground black pepper

Method:

Bring 2 Tbs. butter to room temperature. Combine garlic, basil, spinach and parsley in a food processor or blender and blend to a near-paste. Add softened butter, blend well and set aside.

Melt remaining 2 Tbs. butter in a heavy-bottomed 4-quart saucepan over moderate heat. Add onion and saute until softened, about 5 minutes. Add rice and stir to coat well. Saute, stirring constantly, for 2 minutes. Bring chicken stock to a simmer in a separate saucepan. Add hot stock to rice ½ cup at a time, stirring constantly with a wooden spoon and waiting until each ½ cup of stock is almost fully absorbed before adding another. It should take about 25 minutes for rice to absorb stock and become tender.

Stir in herb paste and the Parmesan cheese. Season to taste with salt and pepper. Serve immediately in warm bowls. Pass extra Parmesan.

Reprinted with permission from *Grain Gastronomy* by Janet Fletcher. Aris Books, Berkeley, California, 1988.

RISOTTO ALAZUCCA
Risotto with Pumpkin

Serves 4 to 6

Ingredients:

Approximately 6-8 cups chicken or vegetable stock
1 small pumpkin
8 Tbs. (1 stick) butter
1 medium white onion, cut into small pieces
4 leaves fresh sage (or ¼ tspn. dried)
2 cups raw rice
¾ cup Rosso di Montalcino wine*
¾ cup grated Parmesan cheese
Freshly grated black pepper to taste
2 Tbs. chopped fresh parsley

Method:

Place the stock on a back burner to heat. Keep it hot but not boiling for the duration of the procedure.

Cut a 4-inch hole in the top of the pumpkin, and cut and remove the meat without disturbing the shell. Set the hollowed-out pumpkin shell aside.

Cut the pumpkin meat into ¾-inch cubes. You will need approximately two cups' worth for the risotto.

Melt 6 Tbs. butter in the risotto pot over low heat. Add onion and sage. As soon as the onion loses its color, add the pumpkin and stir for about one minute, till all the pumpkin cubes are well glossed with butter. Mix in the rice, coating it thoroughly, too, and making sure it doesn't stick to the pot.

Next add the wine, and stir until it evaporates. Then start ladling over the hot stock, a cup at a time. Wait for the rice to absorb the liquid between cupfuls. Stir occasionally.

After about 16 minutes, begin testing the rice for doneness. When it still has a very slight bite to it (al dente) but is tender, turn off the flame and fold in the remaining two tablespoons butter and grated Parmesan. Pepper it to your liking, and sprinkle with fresh parsley. Cover. After a 2-minute rest, spoon it into the pumpkin shell and rush to the table.

**Other suggested wines: Torgiano Rosso (also known as Rubesco), Rubino, Merlot (both Umbria) or Rosso Piceno (Marches).*

Reprinted with permission from *Risotto: A Taste of Milan by* Constance and Rosario Del Nero. Harper & Row, New York, 1988.

The American drought: its effect on food prices

Much of America's Farm Belt has been ravaged by drought in 1988. The extent of damage resulting from the lack of rain and its effect on food prices is not likely to be clear until later in the year. But according to the United States Department of Agriculture (USDA), the drought will certainly affect food prices. In July, USDA estimated a 3 to 5 percent increase in retail food prices for 1988. A larger increase is likely in 1989.

The drought has severely injured the domestic harvest of wheat, corn, other grain and soybean. According to the USDA, grain production in 1988 may reach only 212 million metric tons, a 24 percent decline from 1987. The drought has hit the corn crop especially hard. This year's corn output is projected to be 26 percent lower than last year's. In July the USDA predicted that soybean and wheat production for 1988 would drop 13 percent.

The decline in these crop supplies will translate into higher feed costs for livestock producers and, ultimately, higher meat prices. There is likely to be a delayed response, however, since livestock producers will first use feed stocks set aside from past harvests. In 1989, however, they will have to begin purchasing higher-priced feed. Thus, the main brunt of the drought is not likely to be felt until next year.

Most economic and agricultural forecasting groups concur with USDA predictions about the timing and extent of food price increases. The sharpest food-price advances should occur between late 1988 and mid-1989. Estimates by several forecasting groups for 1989 retail food-price increases range from 6 to 8 percent, well above any increase since 1982.

Prices received by farmers, 1988

Milk and egg prices should rise through the fourth quarter

	Quarter			
	I	**II**	**III F**	**IV F**
Choice Steers—Omaha ($/cwt)	$68.28	$73-74F	$65-69	$66-72
Barrows and Gilts—at 7 mkts ($/cwt)	44.74	46-47F	43-47	37-43
Broilers—at 12 major cities (cts/lb.)	45.00	55F	58	52
Eggs—NY Grade A large (cts/dozen)	55.00	53.2	66	70
Minnesota-Wisconsin 3.5%-fat milk ($/cwt)	10.65	10.34	10.60-10.85	10.85-11.10

F = Forecast

Source: U.S. Department of Agriculture

Several forecasting groups estimate that in 1989 retail food-price increases will range from 6 to 8 percent, well above any increase since 1982.

Beef

Traditionally, a severe drought forces cattle producers to increase their slaughter rates. This results in an increased beef supply to the market, thereby driving down prices temporarily. According to a USDA report in July, this scenario has yet to happen. But livestock producers in certain geographic areas have responded to drought distress by taking more cattle to market, in some instances 30 to 40 percent above normal levels, according to Georgia State University. In July, beef prices were expected to remain fairly steady through the remainder of the year. Prices for choice Omaha steers are estimated to average between $66 and $72 per cwt for 1988.

Poultry

As of July, the drought had had little effect on broiler prices because farmers had suffered no major chicken kills due to the heat. Strong consumer demand for chicken is expected to keep wholesale broiler prices up through the third quarter of 1988 at 58 cents per pound.

If the drought continues, pressure on feed costs could force some of the major chicken producers to lower their production quotas, reducing the supply and pushing chicken prices upward by the fourth quarter of 1988 or the first quarter of 1989. If the drought ends, wholesale broiler prices are likely to fall in line with USDA's July report, which forecasts a drop to 52 cents per pound in the fourth quarter.

Turkey

After a year of high production and stock accumulation, turkey production is expected to level off beginning in the second quarter of 1988. (First quarter turkey production, at 835 million pounds, was up a sharp 25 percent from a year earlier; and turkey stocks on April 1 were up 56 percent over their level on April 1, 1987.) Prices are expected to remain sluggish due to increased turkey supplies but could rise in the third and fourth quarters because of holiday demands. Overall, in July, USDA projected wholesale turkey prices to average 49 to 55 cents per pound for 1988.

Eggs

Egg prices should be up in the second half of 1988 because of seasonally heavier

The main brunt of the drought is not likely to be felt until next year.

demand for holiday baking and lower production than in 1987. Egg producers have also cut back on production this year because of falling profits and decreased consumer demand caused by health concerns. According to USDA, egg farmers in July had sustained losses in 11 out of the last 13 months. This decreased egg supply is likely to result in rising egg prices through the rest of the year.

Pork

The drought has thus far had a limited effect on pork prices, despite the prospect of higher feed costs. However, the price of barrows and gilts should experience a steady decline during 1988 as hog producers increase their slaughter rates in order to reduce a high fourth-quarter livestock inventory. Overall pork production for 1988 is estimated to exceed 1987's total output by 6 percent.

Milk

The USDA expects the drought to exert a progressively strong influence on milk prices during the latter half of 1988 and all of 1989. As feed prices increase, dairy farmers are expected to decrease their milk production. The USDA estimated in July that 15 to 20 cents of the projected 50 to 75 cent advance in wholesale fourth-quarter milk prices over the second quarter will be directly attributable to the drought. Should the dry weather continue, milk prices will go up even more in 1989.

For the second quarter of 1988, wholesale milk prices dropped 3 percent from the first quarter. This decline was attributed to a seasonal price adjustment as well as to a ripple effect created by the lowering of the federal milk-price support on January 1. Milk prices are expected to rise 5 to 7 percent from the second to the fourth quarter of 1988.

Fruits and vegetables

Although the drought has had a strong regional effect on some fruit production, particularly in Michigan, overall fruit production has held up well nationally. A strong spring growing season has resulted in bumper crops of pears, peaches, plums and sweet cherries.

Overall, the strong fruit crop has forced a decline in fruit prices as measured by the Producer Price Index (PPI). The fresh-fruit PPI index for the first six months in 1988 has averaged 3.1 percent below that for the same period in 1987.

Prospects for reduced vegetable production in 1988 due to the drought have kept vegetable prices steady, despite excellent bean and potato harvests last fall. U.S. wholesale prices for all bean types averaged $18.20 per cwt in May, a sharp increase from the $13.10 per cwt reported for December. However, May's figure remained below that of a year ago, when bean prices stood at $19.00 per cwt. Potato prices have been inching upward since April, despite the largest May 1 stocks of fall potatoes on record. A factor driving prices may be expectations for a smaller crop in 1988. Usually, planted potato acres and production decline following a season with generally low prices, such as occurred in 1987.

—Sebastian O'Kelly

Estimated retail food price increases by various institutions, 1988 and 1989

Food prices are expected to rise between 6 and 8 percent in 1989

	1988	1989
Data Resources Inc.	3.8%	6.1%
Georgia State University	4.5	7.3
Wharton Economic Forecasting Associates	4.0	6.3
Drexel Burnham Lambert	5.0	7 to 8
Continental Illinois National Bank	4.0	6 to 7

Percent change in Producer Price Index for foods

For 1988, fats and oils and fish and shellfish are showing the largest price increases

	1985/86	1986/87	1987/88*
All food index[1]	1.5%	2.2%	1.9%
Bakery products	2.4	1.5	5.3
Beef and veal	−2.4	8.4	4.3
Pork	12.2	5.0	−5.4
Poultry	5.8	11.4	−3.8
Eggs	4.0	−12.0	−18.8
Fish and shellfish	9.0	12.1	12.2
Sugar and sweets	1.6	4.5	2.1
Vegetables	−1.0	4.2	−0.8
Fruit and juices	−1.9	2.4	2.8
Beverages	12.8	−8.9	−1.7
Dairy products	−0.2	1.7	−1.0
Fats and oils	−16.7	0.6	13.0
Flour and cereal	−2.7	−0.2	9.2

[1] *Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables*

* *Year to date average through June*

Source: U.S. Department of Labor

New industry operations study

A wealth of new financial and operating information is contained in the National Restaurant Association's *Restaurant Industry Operations Report—1988*. The study, which was conducted jointly by the association and the national accounting and consulting firm Laventhol and Horwath, is based on 1987 operations data from more than 1,500 restaurant operators.

Using this study, restaurateurs can compare their own operations data and statistics with those of companies having similar characteristics. The study contains specific information for each of the following types of restaurants:

☐ Full-menu tableservice

☐ Limited-menu tableservice

☐ Limited-menu, no tableservice (fast food)

☐ Cafeterias

Operating results are expressed as amounts per seat and as ratios to total seats, the most common bases used in the industry. The study details such information as sales (by food and beverage), cost of sales, gross profit, controllable expenses, occupation costs and restaurant profit.

Also provided are earnings ratios, seat turnover, average check size, cost per dollar of sales and an analysis of employment, including employees per seat, sales per employee and part-time versus full-time workers. These data are reported by specific operational characteristics, such as affiliation, menu theme and sales volume. The report includes amount-per-square-foot data covering sales, profits and occupational expenses. Some highlights of the 1988 report follow.

☐ **Full-menu tableservice.** In 1987 the median average check size for full-menu restaurants was $8.82—considerably higher than for the other types of establishments covered in this study. This reflects the higher-priced menus at these establishments, and the fact that many full-menu tableservice restaurants serve alcoholic beverages, which further increases check size.

More than half of the responding establishments had been in business for

The restaurant industry dollar, 1987*

	Full-menu tableservice	Limited-menu tableservice	Limited-menu no tableservice	Cafeteria
Where it came from				
Food sales	77.0	83.3	96.7	91.1
Beverage sales	19.6	15.2	1.3	4.1
Other income	3.4	1.5	2.0	4.8
Where it went				
Cost of food sold	27.7	28.3	33.9	34.0
Cost of beverage sold	5.4	3.9	0.6	1.4
Payroll	28.1	24.9	24.5	26.2
Employee benefits	3.1	1.8	1.4	2.6
Direct operating expenses	7.0	5.8	4.1	7.1
Music and entertainment	0.7	0.4	N**	0.3
Advertising and promotion	2.0	3.7	3.1	1.0
Utilities	2.9	3.3	3.1	3.4
Administrative and general	4.0	4.1	3.4	2.0
Repairs and maintenance	2.0	2.3	1.6	1.5
Rent	4.4	5.1	5.8	4.7
Property taxes	0.6	0.6	0.6	0.4
Other taxes	0.7	0.9	0.6	0.7
Property insurance	1.3	1.1	0.7	0.8
Interest	1.3	1.2	1.2	1.0
Depreciation	2.8	2.8	3.4	2.6
Other deductions	1.9	1.8	2.2	1.4
Net income before income taxes	4.1	8.0	9.8	8.9

All figures are weighted averages

*** N = Less than 0.1 percent*

Source: National Restaurant Association, *Restaurant Industry Operations Report—1988*

In 1987 the median check for full-menu restaurants was $8.82.

more than 10 years, and more than 65 percent were operating at a net profit. Median food sales were $3,808 per seat. Alcoholic beverages accounted for $886 per seat. Average daily seat turnover was 1.4.

☐ **Limited-menu tableservice.** The median average check among limited-menu tableservice respondents was $5.33 in 1987, with an average daily seat turnover of 2.0. More than 70 percent of the limited-menu tableservice respondents realized a net profit in 1987. Median food sales were $3,723 per seat, and alcoholic beverage sales represented $552 per seat.

Median restaurant profit was 9.2 percent of total sales, a higher ratio than the 4.6 percent reported among the full-menu tableservice respondents.

☐ **Limited-menu, no tableservice.** Limited-menu, no tableservice (fast food) survey participants reported an average daily seat turnover of 6.1 in 1987—the highest among the four restaurant categories covered by the study. Median restaurant profit was 6.8 percent of sales in 1987, with median food sales of $5,930 per seat. Less than 20 percent of limited-menu, no-tableservice restaurants that participated in the survey offered both food and alcoholic beverage service.

Median annual sales per full-time-equivalent employee in 1987 were $31,571.

☐ **Cafeterias.** Cafeteria survey participants had a median of 17 full-time employees and 18 part-time workers (less than 35 hours per week) in 1987. These establishments experienced an average daily seat turnover of 2.4, with median food sales of $2,782 per seat and alcoholic beverage sales of $356 per seat. Median restaurant profit was 4.0 percent of total sales in 1987.

—Hudson Riehle

How to order the report

A copy of *Restaurant Industry Operations Report—1988 (CS 958)* costs $30 for members and $60 for nonmembers. When ordering, please include payment plus a 10 percent shipping and handling fee and any applicable tax. Washington, DC, residents must add 6 percent. Illinois residents must add 7 percent, and Chicago residents must add an additional 1 percent, making their total tax 8 percent. No purchase orders, please.

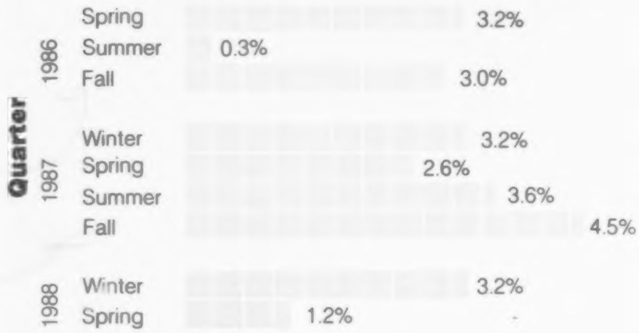
You can charge orders by including name of charge card, name of cardholder, card number, expiration date and signature. Credit-card telephone orders are also accepted. Call the National Restaurant Association at 1-800-424-5156 (toll-free) or (202) 331-5900. Checks or money orders should be sent to the National Restaurant Association, 1200 Seventeenth Street, N.W., Washington, DC 20036-3097.

CREST REPORT

March—April—May

Percent change* in quarterly traffic spring 1986-spring 1988

Customer traffic rose 1.2 percent during the spring quarter



** Percent change is over same period of the prior year*

Source: NPD CREST, *Household Report*, Spring 1986-Spring 1988

Total restaurant traffic advanced a modest 1.2 percent in the spring quarter of 1988, compared with the same quarter a year ago. This small gain follows a strong winter quarter in which customer traffic increased a robust 3.2 percent. Leading the industry were quickservice restaurants, which experienced a 2.6 percent traffic gain this spring. Traffic inched up 0.6 percent at upscale establishments and declined 2.6 percent at midscale operations.

The popularity of off-premises dining continues to drive customer traffic increases. Off-premises traffic at all restaurants rose 4.2 percent this spring; on-premises traffic decreased 1.3 percent. The upscale segment led the way, posting a 9.8 percent off-premises traffic gain. Quickservice and midscale restaurants saw their take-out customer counts rise 4.2 percent and 3.7 percent, respectively.

By meal part, breakfast underwent the strongest growth, with a traffic gain of 6.6 percent. This increase was primarily due to the introduction of new breakfast promotions by several of the major quickservice chains. Lunch and dinner saw limited traffic growth of 0.3 percent and 0.6 percent for the spring quarter.

For the second straight quarter there was a substantial increase in average check size. Average check size increased 3.7 percent this spring over its level in the spring of 1987. This increase follows a 3.9 percent gain in the winter quarter. In 1987 the average check size rose only 2.0 percent. The spring 1988 check gains were observed across all industry sectors and occurred despite the healthy increase in breakfast traffic, which would normally keep overall check advances down. Factors contributing to menu price increases were rising labor and food costs.

**CREST stands for Consumer Reports on Eating Share Trends, a diary survey conducted by one of the NPD marketing and research companies.*

Takeout—spearheading industry growth

A new CREST study commissioned by the National Restaurant Association examines the takeout market and the changes it underwent between 1982 and 1987. This article is the first in a four-part series.

The takeout market is showing no signs of slowing down, as consumers' desire for convenience continues to grow. According to a special National Restaurant Association CREST study, off-premises traffic at all restaurants advanced 28 percent between 1982 and 1987, compared to an increase of only 5 percent in on-premises traffic. Overall, takeout growth accounted for an astounding 77 percent of total restaurant traffic growth from 1982 to 1987. Correspondingly, the percentage of off-premises restaurant visits climbed from 39 percent in 1982 to 43 percent in 1987.

According to pollster Louis Harris, the average working American's amount of leisure time shrank from 26.2 hours a week in 1973 to 16.2 hours in 1987. With less leisure time, Americans are not only buying more takeout, but are also purchasing it more on weekends. Between 1982 and 1987, weekend off-premises restaurant traffic leaped almost 40 percent, eclipsing the 20 percent weekday gain. Overall, the weekend's share of the takeout traffic expanded from 41 percent in 1982 to 45 percent in 1987. Also, the average takeout occasion was more likely to happen on the weekend than the average on-premises restaurant meal. In 1987, 34 percent of total restaurant traffic occurred during the weekend, compared to 45 percent for total takeout traffic.

Quickservice dominates

Quickservice establishments continued to hold the lion's share of the takeout market, in terms of both traffic growth and traffic share. Nearly 9 out of 10 eater occasions in 1987 were at quickservice establishments.

Between 1982 and 1987, off-premises traffic gained 32 percent at quickservice establishments, surpassing the 18 percent rate for on-premises traffic. Overall quickservice traffic increased 26 percent during the period.

Certain restaurant concepts have seen larger off-premises traffic increases than others within the quickservice segment. Pizza remains one of the hottest growth concepts within the takeout market. Thanks in part to the advent of pizza delivery, off-premises traffic at quickservice pizza establishments more than doubled between 1982 and 1987. As a result, these restaurants have seen their share of takeout traffic grow from 12 percent to 20 percent.

Despite moderate growth (22 percent between 1982 and 1987) in the number of takeout orders, sandwich restaurants, which include hamburger chains, remained the takeout king. In 1987 one out of every three takeout eater occasions involved a purchase from these establishments.

Ethnic visits up

Takeout customers are also buying food from ethnic restaurants. The number of off-premises visits at quickservice Asian restaurants more than doubled between 1982 and 1987. Mexican quickservice restaurants saw their number of takeout eater occasions climb by 67 percent over the same period. Despite this rapid growth, ethnic restaurants are still small players in the takeout market; combined, Mexican and Asian restaurants accounted for only 4 percent of total takeout traffic in 1987.

Much attention has been given lately to the increased role played by retail establishments in foodservice, as these outlets, which include grocery and convenience stores, have actively pursued the takeout market. Traffic for food-to-go at retail establishments rose 43 percent between 1982 and 1987, with this group's share of takeout traffic reaching 7 percent in 1987. Over the five-year span, quickservice takeout traffic at convenience stores quadrupled, while at grocery stores it tripled.

Use of takeout by demographic groups, 1987

Singles enjoy takeout

Lifecycle category	Index[1]	Percent of eater occasions
Affluent singles	196	5%
Yuppies	160	7
Low/mid-income singles	138	9
Affluent traditional families	120	15
Working parents	113	11
Single parents	101	5
Affluent empty nesters	95	7
Low/mid-income traditional families	91	27
Low/mid-income empty nesters	81	10
Single, active elderly	56	2
Married, active elderly	44	2
Seniors 75 years old and older	36	1

[1] *Average use = 100*

Source: National Restaurant Association CREST Survey

Use of takeout by income group, 1987

Upper income households are heavier users of takeout

Household income	Index[1]	Percent of eater occasions
$40,000+	112	26%
$30-40,000	111	22
$20-30,000	100	24
$15-20,000	97	9
$10-15,000	87	11
Under $10,000	75	9

[1] *Average use = 100*

Source: National Restaurant Association CREST Survey

Traffic growth: 1982–1987

Quickservice is driving takeout advances

	Percent change–off-premises	Percent change–on-premises
All restaurants	28%	5%
• Quickservice restaurants	32	18
• Midscale restaurants	−5	−8
• Upscale restaurants	8	9

Source: National Restaurant Association CREST Survey

Takeout still modest at midscale and upscale

Despite popular acclaim, takeout still represents only a limited part of most midscale and upscale operations. In 1987 midscale and upscale restaurants accounted for just 9 percent of all takeout traffic. This percentage has remained stable since 1982. Most midscale and upscale patrons ate their meals on-site. In 1987, 86 percent and 94 percent of all midscale and upscale traffic went for on-premises dining.

Upscale and midscale operators have not experienced much growth in takeout traffic. Between 1982 and 1987, midscale restaurants have undergone a net decrease in off-premises traffic, although the decline has been less than that of on-premises traffic. In upscale restaurants, takeout traffic has gained 8 percent, just below the 9 percent rate for on-premises traffic. Recently, there has been some pickup in midscale and upscale customer takeout counts. From 1985 to 1987, the number of takeout visits rose 2.5 percent at midscale establishments and 9 percent at upscale restaurants.

Who eats takeout

Given its convenience-oriented appeal, takeout has drawn a following among those who place a premium on saving time. Groups that frequently purchase takeout food include young adults, singles, professionals and higher-income households.

☐ **Twenty-five to 49-year-olds.** According to the National Restaurant Association's CREST study, the majority of takeout eaters are between the ages of 25 and 49. Takeout traffic for 25 to 49-year-olds rose 29 percent between 1982 and 1987. In 1987 this age group accounted for 48 percent of all takeout eater occasions. Among all age groups, young adults (25 to 34-year-olds) showed the greatest affinity by far for takeout food in 1987, followed by 35 to 49-year-olds. Eighteen to 24-year-olds have also shown above-average usage.

☐ **Children.** Children are eating more takeout food. Takeout traffic for the under-18 age group advanced 38 percent between 1982 and 1987. In 1987 children under the age of 18 accounted for almost one out of every four off-premises eater occasions. Among all children's age groups in 1987, toddlers (under 6 years) showed the highest incidence of takeout use, followed closely by small children (6-12 years) and young teens (13-17 years).

Older individuals have been slower to catch the takeout wave. In 1987 seniors over the age of 65 contributed to only 5 percent of total off-premises traffic. Senior citizens showed the lowest incidence of takeout usage among all age groups. However, takeout is beginning to play a greater role in seniors' eating-out occasions. Since 1982, the number of takeout eater occasions for those over 65 years of age has gained 30 percent.

☐ **Higher-income households.** Higher-income groups tend to favor takeout. In 1987 households with incomes in excess of $30,000 accounted for more than 47 percent of all takeout eater occasions. Lower-income households were not as likely to purchase takeout. Only 20 percent of takeout visits were made by households earning less than $15,000 a year in 1987.

Among all age groups, the most frequent takeout buyers were households with incomes in excess of $40,000, trailed by households with incomes between $30,000 and $40,000.

☐ **College-educated individuals.** Given its popularity with higher-income groups, it is not surprising to note that the average takeout buyer is likely to be a professional and college-educated. White-collar employees and the college-educated accounted for 49 percent and 61 percent, respectively, of all takeout traffic in 1987.

☐ **Smaller-size households.** Smaller-size households are also prevalent takeout users. In 1987 single-person households were the most frequent eaters of takeout food. Both two-person and three-to-four-person households showed average preference for takeout, while five-or-more-person households revealed a below-average interest in off-premises dining. Overall, three-to-four-person households accounted for the most (44 percent) off-premises traffic among all household sizes in 1987.

Among lifestyle groups in 1987, affluent singles and yuppies were by far the most prevalent takeout buyers. Low to mid-income singles, affluent traditional families and working parents also reported above-average use of food to go. Single parents and affluent empty-nesters showed about average interest in takeout food, while low to mid-income families, low to mid-income empty-nesters and elderly groups showed the lowest preference for takeout among all lifestyle groups.

In sum

The takeout market continues to grow rapidly, particularly within the quickservice segment. In fact, most of the restaurant industry growth in the last five years can be attributed to the increased popularity of takeout. —*Sebastian O'Kelly*

Introducing Foodservice Market Measure

This month **Restaurants USA** *introduces the "Foodservice Market Measure," a monthly consumer survey conducted in cooperation with the Gallup organization, that tracks purchases of meals and snacks at foodservice outlets to be eaten on and off premises. The Market Measure succeeds Gallup's Monthly Monitor of Eating Away from Home. This first survey reflects data collected in June 1988.*

Percent of adults patronizing foodservice establishments by meal period, June 1988

More than one in five adults purchased lunch or dinner at a foodservice establishment

	Percent of all adults
Breakfast	5%
Lunch	22
Dinner	23
Snack	4

The Foodservice Market Measure is based on 1,000 telephone interviews, conducted by the Gallup Organization each month, with a nationally representative sample of adults age 18 and older. Each person is asked the same questions:

1. Which of the following did you do yesterday?

☐ Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack, or

☐ Purchased takeout food "to go" or had it delivered.

2. Was the food you ate on premises yesterday for breakfast, lunch, dinner or a snack?

3. Was the takeout food you purchased or had delivered for breakfast, lunch, dinner or a snack?

The monthly tracking of purchases is supplemented with quarterly inquiries on topics of industry interest, such as smoking versus no-smoking sections, tipping versus service charges or nutrition concerns.

Foodservice Market Measure, June 1988

85 million adults patronized foodservice outlets

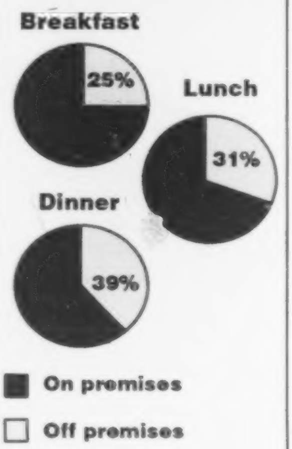
Which did you do yesterday?	Percent of all adults*	Estimated number
Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack	32%	58 million
Purchased takeout food "to go" or had it delivered	18	33 million
Both of the above	3	5 million
Net foodservice patrons	47	85 million
Neither	53	97 million

*Age 18 and older

	Of adults who ate on premises		Of adults who ordered takeout/ delivery	
	Percent who ate each meal*	Estimated number	Percent who ate each meal*	Estimated number
Breakfast	13%	7 million	8%	2 million
Lunch/Breakfast	49	28 million	39	12 million
Dinner	45	26 million	51	16 million
Snack	8	4 million	6	2 million

*Total exceeds 100 percent because some adults patronize foodservice establishment outlets on more than one occasion in a typical day

Percent of adults who patronize foodservice, on premises versus off premises, by meal period, June 1988



85 million patrons

Nearly half of all adults—a total of more than 85 million individuals—patronized a foodservice outlet on a typical day in June 1988. Approximately one in three adults ate on the premises and nearly one in five purchased takeout food to go or for delivery.

When those who ate on the premises are combined with those who ate off premises and an allowance is made for the more than 5 million adults who did both, the result is a net 47 percent of the adult population who patronized a foodservice outlet.

On-premises versus off-premises patronage

Nearly half of those who ate on the premises on a typical day in June did so for lunch, and a similar proportion did so for dinner. In comparison, takeout/delivery customers have a greater tendency to purchase dinner.

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1 NEW ENGLAND

Location: Caribou, ME
Association members: Joseph Hackett, Suzanne Hackett
Operation: Yusef's
Profile: Restaurant, nightclub, catering, butcher shop
In business: 14 years
Seats: 350 plus 200 at bar
Meals served: Lunch, dinner

"Business is good, but there's been no growth," says **Joseph Hackett,** who owns Yusef's with his sister Suzanne. He attributes the no-growth situation to Caribou's declining population and Maine's tough drunk-driving laws which have sharply reduced the restaurant's liquor sales. To improve his business, Hackett has opened a butcher shop. After three weeks in operation, it already accounts for 11½ percent of sales. The shop sells fresh fish from Maine's coast and meat cut to order, as well as cinnamon rolls and freshly baked bread. The restaurant also ships lobsters, specially decorated cakes and custom-cut meats to customers all over the country.

Yusef is Hackett's Lebanese name, but he says there is no call for Middle Eastern food in the town of 10,000 at the northern tip of Maine.

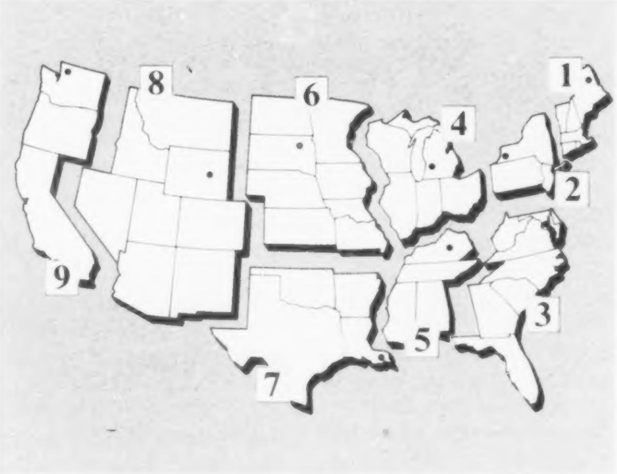
2 MID-ATLANTIC

Location: Buffalo, NY
Association member: Donald J. Leone
Operation: J.T. Bullfeathers, The Wine Cellar
Profile: Fullservice restaurant and wine cellar
In business: 17 years
Seats: 250, 25 on patio
Meals served: Breakfast, lunch, dinner

Lunch business is good at Bullfeathers in Buffalo, New York, says manager **Kathie Hunter,** but dinner business is always down in the summer because people prefer to stay in the suburbs or are on their boats.

As its name suggests, Bullfeathers, The Wine Cellar, specializes in wines, offering them by the glass or bottle. The restaurant trains its employees in suggestive selling and holds bimonthly employee wine tastings and seminars on how to open and present a wine bottle. Food is important, too, and the menu proves it with more than 100 items—from veal dishes to a cheese fondue to fresh seafood flown in from Alaska.

Although the restaurant's primary customers are 25 to 45-year-olds, more and more families are coming to the restaurant.



3 SOUTH ATLANTIC

Location: Washington, DC
Association members: Nechi and Christopher Chidueme
Operation: Bamboo End Restaurant
Profile: Restaurant serving African food
In business: 1¾ years
Seats: 30
Meals served: Lunch, dinner

When Nigerians **Nechi and Christopher Chidueme** were college students in Washington, DC, they missed their native food. Now they own the Bamboo End Restaurant in the northwest part of Washington, near Howard University, where their cooks prepare West African dishes, such as the restaurant's specialty, *fufu,* a dish with the consistency of grits made from cassava, a yam-like plant. It is usually served with soup. The restaurant's best customers are Africans studying or working in the city or Americans who have come to know African foods through travel or work.

Because the imported ingredients are expensive and because the prices are low to accommodate the area's students, the Bamboo End's profit margin is small. "We're just trying to survive," says Chidueme. "We have a few customers who keep us in business."

4 EAST NORTH CENTRAL

Location: Stevensville, MI
Association members: Pete and Nancy Racine
Operation: Grande Mere Inn
Profile: Midscale, fullservice restaurant
In business: 8 years
Seats: 100 in dining room, 25 in bar
Meals served: Lunch Tuesday through Friday, dinner Tuesday through Saturday

Grand Mere overlooks Lake Michigan and draws its customers from surrounding towns, from South Bend, Indiana—30 miles away—and even from Chicago, 90 miles away. Its specialties are fresh fish from the Great Lakes, live lobsters from Maine, barbecued ribs, American lamb and roast duckling. **Pete Racine,** who owns Grand Mere with his chef wife Nancy, shops the local farmers' markets for fillings for the pies baked on premises. A raw bar on Friday nights sells oysters, mussels and shrimp cocktails.

Sales have grown steadily and are up 13 percent from last year, says Racine, who has been in the restaurant business for 28 years (since he was 14 years old). The area's economy has been improving—a Whirlpool plant is nearby and three years ago Kitchen Aid opened a home office six miles away.

5 EAST SOUTH CENTRAL

Location: Lexington, KY
Association members: Kilburn Cormney, Jim Parsons, Tony Lovello
Operation: The Campbell House
Profile: Midscale restaurant in hotel
In business: 37 years
Seats: 157
Meals served: Breakfast, lunch, dinner

The Campbell House is a privately owned restaurant and hotel in the heart of Kentucky's Bluegrass region. General manager **Tony Lovello** says there are few times when some special event is not going on in Lexington, whether it is the races at Keeneland Race Track, the thoroughbred sales, the tobacco auctions, a Junior League horse show, or a football or basketball game at the University of Kentucky one quarter-mile away. In addition, a Toyota plant has just opened, bringing more businesspeople to town than ever before.

"Business is up 12 percent from last year," says Lovello. He credits some of the success to the personal service the staff gives its guests, but he feels fortunate to be affiliated with a hotel. "If one part loses, the other gains," he says.

The Lexington landmark reflects its Southern locale by serving such regional specialties as spoon bread and *Hot Browns*, an open-face sandwich consisting of turkey and a cheese sauce, layered on toast, baked, and then topped with slices of tomato and strips of bacon. A weekly family night, with a choice of four entrees for $4.95, is doing so well Lovello is thinking of making it a permanent feature.

6 WEST NORTH CENTRAL

Location: Aberdeen, SD
Association members:
David Judd, Don Artz
Operation: Mother's Inc
Profile: Midscale family restaurant
In business: 7 years
Seats: 150, 40 on patio
Meals served: Breakfast, lunch, dinner

Aberdeen is in north central South Dakota, an agricultural area that has been hard hit by the summer's drought. The weather is the reason business at Mother's is down 5 to 7 percent, according to general manager **David Judd.** But he expects his banquet business to bring things up to normal. "At least we're still open," he says. "Other restaurants have closed."

Lunchtime is the busiest time at Mother's. One of the most popular items is a colorfully named sandwich, the *Molly Brown*—ham, turkey and cheese rolled in pumpernickel bread, dipped in a special sauce and deep fried. Hot pies are baked on premises using fruits in season, but a sour-cream raisin pie is available all year round.

A patio, open from Easter through October, is shaded by a grape arbor whose fruit is made into wine by a local winemaker. The restaurant doesn't sell the wine—there's not enough—but it sometimes passes out samples.

7 WEST SOUTH CENTRAL

Location: New Orleans, LA
Association member:
Joseph Frady
Operation: Frady's Food Store and Restaurant
Profile: Small family-owned grocery store with takeout
In business: 18 years
Seats: None, takeout only
Meals served: Breakfast, lunch, dinner

"Business is not bad, about the same as last year," says **Joseph Frady,** owner of Frady's Food Store and Restaurant, a grocery store and carryout combined."But it's the restaurant that keeps us in business."

Located on the outskirts of New Orleans' French Quarter, Frady's doesn't see many tourists. Its customers are people who live and work in the area or people who work on the Mississippi River. They come for the New Orleans-style food—red beans and rice; smoked, spicy sausage; softshell crabs; or the favorite, *jambalaya*, a Cajun-Creole creation of rice, onions, bell peppers, garlic, special seasonings and shrimp, ham, sausage or other meat or fish. Frady sells a French bread to go with his entrees. "They keep coming back," he says. "I guess that means the food is good."

8 MOUNTAIN

Location: Big Timber, MT
Association members:
Gerald and Ida Mae Dempster
Operation: JD's
Profile: Restaurant specializing in homemade pizza
In business: 6 years
Seats: 96
Meals served: Lunch, dinner

"Business is good, about the same as last year," says **Ida Mae Dempster,** owner of JD's, located in Big Timber at the base of the Crazies Mountains and the Boulder Mountain Range, 96 miles east of Billings. But Dempster thinks the high costs of liquor licenses, insurance, taxes and workers' compensation in Montana keep it from being better.

Nonetheless, business is always booming during the three-day Yellowstone River Boat Float, an annual event when rafters float down the river by day and camp on the riverbanks at night. JD's caters lunch to the rafters upriver on the first day and then, when they arrive at Big Timber, serves them dinner one day and breakfast the next.

Housed in an old stone building built in 1897, JD's is on the town's Main Street. Pizza is the specialty.

9 PACIFIC

Location: Bellingham, WA
Association members:
Jim and John Sands
Operation: Boss Tweed
Profile: Soups, sandwiches, salads
In business: 4 years
Seats: 99
Meals served: Breakfast, lunch, dinner

Located in the Old Town section of Bellingham, 80 miles north of Seattle and 20 miles from the Canadian border, Boss Tweed has increased business by 15 percent this year, says co-owner **Jim Sands.** The economy of the town is strong, thanks to diversification after many years of depending on the fishing and lumbering industries.

Customers of Boss Tweed step up to a counter to order sandwiches, soups or salads. When their names are called, they pick up their food and carry it to the condiment bar, where they choose toppings, such as sour cream, chiles, guacamole, and special sauces, as well as the conventional catsup and mustard. In contrast, breakfast is a fullservice meal, drawing big crowds on the weekend.

Ceiling fans and mirrors evoke the turn-of-the-century era of the restaurant's namesake, a colorful New York City politician, but lots of neon beer signs add a touch of today.

—*Julie Fintel*

Public criticism is a no-no

Managers and supervisors who criticize their subordinates in front of other employees are violating the cardinal rule of business manners, according to a survey of some of America's top management executives and personnel directors. Surprisingly, arriving late for appointments ranked near the bottom of the list of infractions.

Executives from more than 100 of the nation's largest corporations were asked, "What do you consider to be the biggest breach of business etiquette?" Forty-five percent cited "criticizing a subordinate in front of others"; 28 percent said, "not giving others a chance to express themselves"; and 15 percent chose "off-color jokes or inappropriate attempts at humor." Six percent ranked "being late for appointments" as the number-one breach of conduct.

--Robert Half International

Helping disabled students "reach for the stars"

Through a $10,000 donation and a promise to raise nearly $50,000 more, Dan Trierweiler, a west Michigan restaurateur, is helping local students achieve their dreams. According to Trierweiler, owner of 23 Burger Kings, the funds will help 20 students become the first "pilots" of a special-needs camp at NASA's Space and Rocket Center in Huntsville, Alabama.

After undergoing Space Camp educational preparation during the next school year, the students will travel to the Space and Rocket Center to inaugurate the program. Space Camp replicates the training astronauts receive prior to space missions, including entering zero gravity chambers and experiencing "weightlessness."

"This is an exciting program, and we're glad to support special-needs Space Camp any way we can," says Trierweiler. "We're a part of a program which will help special education students all over the country reach for the stars."

The Burger King Space Camp promotion is an offshoot of the Burger King HireAble program, a project designed to recruit, train and integrate learning, physically and emotionally disabled persons into crew positions.

—Burger King Executive Office

Ground Round sponsors "New Olympic Sport"

The Ground Round, Inc., recently announced its sponsorship of the United States Table Tennis Team to compete in the 1988 Summer Olympics. Table tennis, which trails only soccer in terms of world sports popularity, will make its debut in Seoul, South Korea, as a full medal event with men's singles, women's singles, men's doubles and women's doubles competition.

Ground Round's major sponsorship of the national team, which began on July 1, will extend for one year following the Summer Olympics. According to Fritz von Ulmer, the chain's vice president of marketing, "Ground Round is known as a fun, family-oriented place, and this new sponsorship will enhance that spirit." Beginning September 6, Ground Round restaurants also will offer the official United States Table Tennis Association pin for $1.50, with proceeds going to support the U.S. team.

—The Ground Round, Inc.

Magic coffee preserver

Tired of throwing away the last few bitter, stale cups of coffee in your coffeepot? Flavor Savor, Inc., a Colorado Springs, Colorado-based company, claims to have a new device that keeps coffee fresh-tasting for up to nine hours. Java Jeanie, a copper disc with "flavor dimples" that fit directly on coffee-maker hot plates, is being tested by several airlines and restaurants and is also being marketed by several mail-order companies.

According to Dave Box, inventor of Java Jeanie and president of Flavor Savor, the device's convection action evenly disperses and controls the hot plate's flavor-destroying heat patterns. Unlike other products that have attempted to solve flavor deterioration by inserting disclike tops directly on top of the coffee liquid, Java Jeanie rests between the coffee maker hot plate and the coffee pot.

Java Jeanie retails for $7.95 and carries a full guarantee.

—Flavor Savor, Inc.

Mail order heat

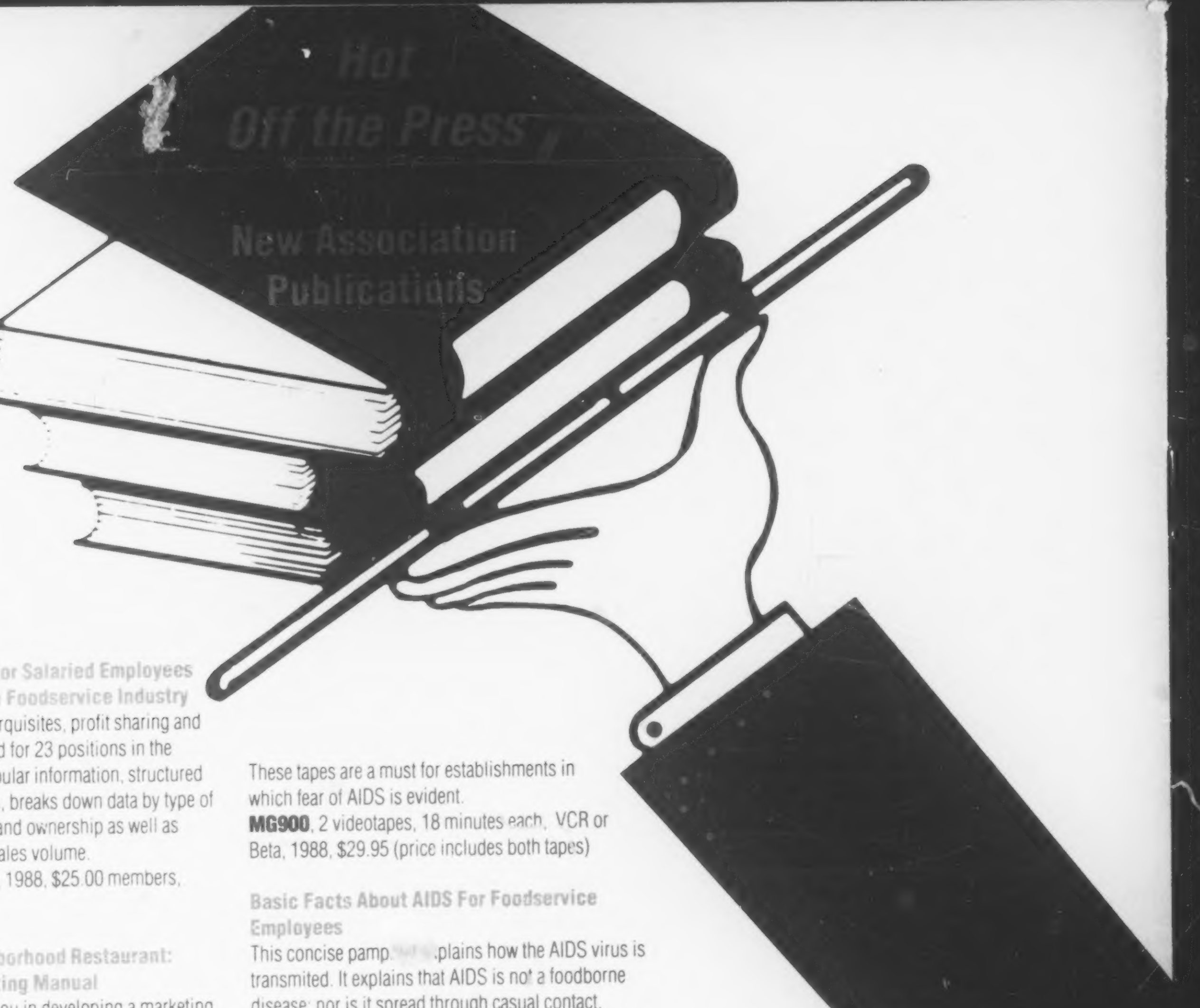
For those who just can't get enough of the hot stuff, two Albuquerque, New Mexico, residents have joined forces to form the Old Southwest Trading Company. The mail-order catalog company specializes in New Mexican and Mexican chile products, but will also offer Southwestern cooking supplies, such as tamale, posale, chile pasta and blue corn.

The chiles offered by Old Southwest will include exotic, hard-to-find varieties such as chipolte, guajillo, ancho, arbol, mirasol, cascabel, pasilla and chilteopin.

—Old Southwest Trading Company

Hot Off the Press

New Association Publications



Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry

Base salary, bonuses, perquisites, profit sharing and other benefits are detailed for 23 positions in the foodservice industry. Tabular information, structured similarly for all positions, breaks down data by type of restaurant, organization and ownership as well as scope of operation and sales volume.
CS155, soft-cover book, 1988, $25.00 members, $50.00 non-members

Promoting the Neighborhood Restaurant: A Local Store Marketing Manual

This manual will assist you in developing a marketing program to promote your operation to both new and current customers. Includes forms, plans and timetables for off-premises promotions, cross promotions, community involvement and instore marketing.
CS600, 103 pgs., soft-cover book, 1988, $15.00 members, $30.00 non-members

Restaurant Industry Operations Report '88

This is a 1988 state-of-the-industry look at financial operating data of full and limited-menu tableservice restaurants, fast food operations and cafeterias. Operations are profiled by restaurant type, location, organizational structure, sales volume, years in business and region.
CS958, 80 pgs., soft-cover book, 1988, $30.00 members, $60.00 non-members

The AIDS Issue

A packet of two videotapes

The AIDS Issue consists of two videotapes each 18 minutes in length. The first tape, entitled "The AIDS Issue," prepares management to handle the problems that might arise if an employee contracts AIDS or is rumored to have been infected by the disease. The second tape, "AIDS: What You Need to Know" is addressed to employees and tells them how AIDS is contracted. It makes it clear that the foodservice workplace is safe in this regard, but warns employees how to protect their health during non-woking hours. These tapes are a must for establishments in which fear of AIDS is evident.
MG900, 2 videotapes, 18 minutes each, VCR or Beta, 1988, $29.95 (price includes both tapes)

Basic Facts About AIDS For Foodservice Employees

This concise pamphlet explains how the AIDS virus is transmited. It explains that AIDS is not a foodborne disease; nor is it spread through casual contact. Therefore, there is no danger in eating or working in a foodservice establishment. Designed to calm unnecessary fears, the pamphlet also tells staff how to avoid AIDS during non-working hours.
PB010, 8 pgs., pamphlet, 1987, $1.00

"Right to Know"—A Foodservice Operators's Guide to the OSHA Hazard Communication Standard Program

As of May 1988, the OSHA Hazard Communication Standard requires all employers to notify their employees of any hazardous chemicals in the workplace. Some possible restaurant applications include soaps, sanitizers and degreasers. This booklet gives operators guidelines on how to develop a program to comply with the new OSHA standard, and some parallel EPA requirements as well.
PB100, 21 pgs., booklet, 1988, $6.00 members, $9.00 non-members

Foodservice and Energy to the Year 2000

This report compiles forecasts from the U.S. Department of Energy and other sources to predict the supply and pricing futures for oil, gas, electricity, coal and other energy sources. The report suggests that although energy will remain available, rising imports and flagging domestic production will eventually drive prices higher.
PB150, 35 pgs., booklet, 1988, $4.00 members, $6.00 non-members

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